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The Nation's Business

Canada Benefited by Mining Congress

World and Empire Experts See for Themselves

Canada's Part in Making Empire Independent in Raw Materials

A GREAT deal of significance, for the Empire in general and Canada in particular, is attached to the Second (Triennial) Mining Congress which opened this week in Montreal and which will hold sessions at various centres throughout the Dominion, during the course of tours of the various mining camps.

With a mineral production close to a quarter million dollars annually and growing steadily, Canada is taking a dominant place in mineral production of the world and her products to-day assure the empire independence in raw metals in time of stress. Canada to-day dominates the world in nickel, asbestos, chrome and cobalt, and the empire in lead, producing 10 per cent. of the world's supply. With Canada's assistance the empire is to-day independent in all raw metals with the exception of copper—and Canada and Africa are being looked upon to remedy this deficiency.

* * *

IT IS quite apparent to judge from the remarks of Sir Robert Horne, former chancellor of the exchequer, that the Mother Country is keenly looking forward to the time when two of the Dominions within the empire, will wrest for the empire the copper dominance of the world. He made the point that history has shown that dominance of the world market in copper has passed from one country to another. The United States with its vast deposits, to-day controls the situation. But Sir Robert said that it was a natural consequence that developments in Canada and Africa, would place these two dominions in a position to share the world market with United States.

Sir Robert had preceded his remarks on the empire's mineral position with a review of the mineral position of Canada. He said that in the past twenty years no other country has kept pace with Canada in this regard and added that only the edge of Canada's minerals have been touched.

* * *

IT WILL gratify many Canadians to find an empire leader like Sir Robert with such a grasp of Canada's mineral position. They will also find it gratifying that so many leading mining and metallurgical authorities from all points of the globe, were present, first to hear his views on the position of the Dominion as well as those of leading Canadian authorities, and then to be able to proceed to see for themselves, by touring the various mining camps and studying the operations of the key plants in each.

* * *

CANADIANS have felt for some time that the position of its mining industry was not appreciated by other parts of the empire, and especially in the Mother Country. The mining congress is going to place at strategical points throughout the empire, technical men of standing, who will have a first-hand knowledge of the bigness and solidarity of the industry as they saw it in Canada. This will prove a great bulwark against misunderstanding and an effective stop-block against unfair criticism of propagandists. In this connection it has been felt by many that in London, propaganda against Canadian mining has been effective and hurtful in the past because of the absence of accepted authoritive spokesmen to counteract this influence.

An outstanding feature of the congress is the presence of 50 delegates from South Africa. They could have hardly been attracted solely by the technical sessions of the congress. The conclusion is that they are keenly interested in the Canadian mining situation and this is supported by the statement of P. M. Anderson, president of the South African Institute of Engineers who said "We are watching closely Canada's mineral development because we are always willing to venture into pastures new."

* * *

AS HAS been pointed out, the Mining Congress will send back to various points within the empire some notable missionaries, because there are some notable personages in attendance. Perhaps one of the most outstanding is Sir Robert Horne, former chancellor of the exchequer, who presided at the initial session of the congress at Montreal. Sir Robert's address gave evidence of a keen study of the position of the mining industry in Canada and of the growing strength of the Dominion's position. Sir Thomas Holland, one of the leading geologists within the empire and during the war in charge of the Geological Survey of India and past president of the London Institute of Mining and Metallurgy is another outstanding visitor. Canada should not suffer from his proposal that there should be a survey made of the empire mineral resources. Sir Thomas said that the knowledge gained would

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COMBINE LOWERS COSTS FOR GRAIN GROWER IN WEST

Machine is Becoming Very Popular With Farmer Who Keeps Accounts

HELPS MASSEY-HARRIS

Eastern Factories, as Well as United States Firms, Find Better Markets on Prairies

WINNIPEG—There is a very new economic factor entering into the production of this year's wheat crop on the plains of western Canada. It concerns the "reaper-thresher" machine, known to Canadian farmers as the "combine." Where 175 of these machines were in use in the three western provinces last year, this year over 1,600 have been or will be, placed in the wheat fields. A large number of these machines are products of Massey-Harris.

Experience on the prairies shows that from 40 to 50 acres can be handled each day of twelve hours. Two men operate the machines and the threshed grain is delivered directly to the wagons travelling alongside. The economy is direct in the saving of the labor of a complete threshing crew, the cost of stooking, binder twine, time and the housing and feeding of some fifteen men during the ordinary operations as previously conducted by Canadian farmers.

Save on First Cost

A separator, engine, water carrying machinery costs approximately $2,200 in Western Canada. A self binder $350. So there is a saving claimed for the "combine" of about $600. They cost around $2,000 laid down on the Western farm. It is claimed at the lowest average that a farmer will save ten cents per bushel by use of the "combine." In many cases by actual experience a great deal more economy has been found possible.

According to a reliable authority, one farmer last year in Saskatchewan handled a 480 acre crop of wheat with a "combine," yielding 16,000 bushels, and the operation showed a saving over the old method of $2,640. Some farmers are claiming that their grades have improved by the use of this machinery because they can take advantage of every spell of fine weather to do their work, whereas, with the old system, once the threshing begins, regardless of weather, they are forced to continue until finished. The capital value of Western farm lands, it is claimed, has been substantially increased by the introduction of the new machinery. They are being brought in from the States as well as from factories in Eastern Canada.

With Green Crops

But there is, in so far as operating on Western Canadian farms, some disadvantage in the use of the combine. That is the fact that the reaper-thresher can not operate when the grain is on the green side, while, with the old system, a field may be cut on the green side, stooked and be permitted to ripen without deteriorating in so far as the grade is concerned. This season particularly the combine is operated at a disadvantage in this respect, because so much of the grain was sown late and must be harvested as early as possible to avoid frost.

This is being overcome by the combine working in a part of the field that is ripe and waiting a day or so to complete the green section. These machines finish a 300 acre field so rapidly that they are being bought by groups of farmers and held in common. The average field of wheat on the Canadian prairies includes

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C. P. Interested in Can. Marconi

MONTREAL.—Developments pending in the Canadian Marconi Co., indicate that the position of the shareholders will be somewhat improved. It is generally understood that at the present time the Canadian company is controlled by the British Marconi Co. Lazard Brothers, well known British bankers, are forming a new holding company which will acquire the British Marconi company's controlling shares in the Canadian undertaking. Continued British control of the new holding company is assured, and while the Radio Corporation of America will have an interest in the new holding company, the British Marconi will also retain an interest.

Traffic Rights Now

Gossip originating in London, England, now indicates that the Canadian Pacific Railway will participate in the projected deal. There seems to be no reason for doubting these rumors, for C.P.R. officials have refused to make any comments regarding the railway's position in the negotiation at present under way.

At present time, the Canadian Pacific Railway Telegraphs has traffic arrangements with the Canadian Marconi Co., and it therefore seems reasonable to presume that the C.P.R. will cement such arrangements by obtaining some interest in the operations of the Canadian Marconi.

Sherwin-Williams Stock Reflects Better Business

From Our Own Correspondent.

MONTREAL.—The sudden jump of ten points in the shares of the Sherwin-Williams Co. is due solely to the various factors which have contributed to the recent rise in the shares of such companies as Dominion Bridge and Canada Cement.

The general expansion experienced in Canada has increased the demand for building and construction materials, as also it has increased the consumption of paint and varnish.

Sherwin-Williams, being the leader in its field, has obtained its share, and perhaps more than its share, of the increased business of this year. As far as can be ascertained, no new developments in the company are pending, although the shareholders can probably ultimately look forward with confidence to a split-up in the stock.

ORGANIZATION OF HARDWARE CHAIN NEAR COMPLETION

About 100 Stores Will be Members of Company Being Formed

Reorganization of Hardware Products, Ltd., of Toronto, the wholesale and executive unit which operates the chain of 32 retail hardware stores in Toronto and vicinity under the name of Dominion Hardware Stores, is rapidly approaching completion, according to information published by Hardware and Metal this week. Within the course of another week, this work is expected to be completed.

The reorganization provides for an increase from $40,000 to $100,000 in the capitalization of Hardware Products, Ltd., and will involve the addition of some 65 retail hardware stores throughout the province, to the Dominion Hardware Stores chain. A number of applications had been received from retailers for membership and many other letters were received both by Hardware Products Ltd. and by Hardware and Metal asking for information concerning this organization.

New members are joining on the basis of taking a minimum of two shares of stock ($100 per share) and paying a $25 membership fee for participation in the Dominion Hardware Stores chain. Every member of the new organization will participate on the same basis and for that stock purchase and fee will be entitled to all the advantages of the organization in group buying, advertising and use of a distinctive store front. Further details will be available in the near future when the new company has been formed.

Anglo-Canadian Mill Ready Soon

The Anglo-Canadian Pulp and Paper Co.'s mill being constructed at Limoilou is progressing on schedule and the buildings will be completed very soon. Installation of one of the paper machines has been started and it is expected that November will see the first newsprint manufactured in the city of Quebec.

FUTURE HIGHLY PROMISING CAUSE OF CEMENT RISE

No New Features in General Situation Account for Move

DIVIDEND TO REMAIN

Company is Opposed to Increase Until Such Time as Bonds Have Been Retired

From Our Own Correspondent.

MONTREAL.—With a jump of 16 points in one day shares of the Canada Cement Company created a new record for all time. Holders of the stock are wondering just what caused the display of strength.

It has been suggested that perhaps Frank T. Jones, the president of the company, has reconsidered his decision regarding dividends. It will be recalled that Mr. Jones has always stated that the dividend will not be increased until the company's bond issue, of which there is $4,543,147 outstanding, has been retired two years hence.

It has been suggested, too, that manipulation has been responsible for the rise in the shares. But many of those closely in touch with the company feel that there are only two factors responsible for the rise, namely, the scarcity of the stock coupled with the general buoyancy of the stock market.

Balance Sheets Interesting

The annual income accounts presented by the company give but a modest indication of the steady and continued progress which Canada Cement has made. To obtain an idea of the company's tremendous strides, it is necessary to make a comparison of the annual balance sheets.

At the end of 1922 the company carried its property account on its books at $27,841,761, but by the end of the last fiscal year this amount had been reduced to $22,213,014. In addition, the investment account, which is mostly composed of bonds, has grown from $3,620,948 to $7,318,544. There is no doubt also that Canada Cement's investment in other companies is carried at a minimum figure in its investment account. During the same period also there has been no increase whatsoever in the capital stock outstanding, and the mortgage debt has declined by about $1,200,000.

During the same four year period, the company also redeemed a $900,000 mortgage on its head office building, and in addition increased its reserve and surplus by another $955,507. Thus, it can be seen that while over the past five years the company has shown average profits of about $9 per share on its stock, the actual earnings on the common must have been far in excess of this figure. In other words, the endeavor of the management has been to build up a strong financial edifice capable of withstanding any financial storms which might suddenly blow up, although at the present time it appears that there is not a cloud in the sky menacing the future operations of the company.

It is true that the advent of the National Cement Company into the field has reduced the price of cement in the province of Quebec, but industrial expansion in Canada has, judging by the income account of the Canada Cement, compensated the company for the lower price by increasing the demand.

Premiers to Determine Carillon Power Deal at November Meeting

Provincial Executives Will Face Problem of Deciding Disposition of Interprovincial Water — Paper Company is Third Applicant

From Our Own Correspondent.

MONTREAL. — The provincial premiers foregather in Ottawa early in November, when it is understood that advantage will be taken of their presence to discuss the development of water powers located on interprovincial rivers. Doubtless the Carillon situation will be discussed then, and some definite decision regarding the site reached.

In recent months, the Sifton interests and the Shawinigan Water & Power Company both endeavored to obtain the rights to the site. Shawinigan wants to have developed the site in conjunction with the Ontario Hydro-Electric Power Commission.

Since the clash between Shawinigan and the Sifton interests, it is now stated that a third group, namely the International Paper Company, has entered into the situation and will also endeavor to obtain the rights at Carillon.

Normally, the provinces have the say-so regarding the disposal of their water power sites, but with the Carillon power site the situation is different, for first of all it is located on the interprovincial boundary, and furthermore the federal government is interested, due to the necessity of navigation on the Ottawa river.

Others Are Involved

It has been necessary to bring both the provinces of Quebec and Ontario into accord regarding the development of the project, for the Ontario Hydro-Electric Power Commission is entitled to some of the power which will be developed.

Finally, the International Paper Company has acquired complete control of the electric distribution systems between the island of Montreal and the city of Ottawa, and the Carillon power site is situated about in the centre of the Gatineau Power Company's territory. The Gatineau Power is the wholly owned power subsidiary of International Paper.

Should it not be possible to bring federal and provincial ideas regarding the development of the site into alignment, it is possible that the Privy Council may ultimately have to decide regarding the claims of the various interests involved.

St. Maurice Power Has Declared First Dividend

From Our Own Correspondent.

MONTREAL.—The steady increase in price of the shares of the St. Maurice Power Company, during recent months has been explained by the initial dividend declaration on the common shares announced by the management this week.

The stock is now on a $4 annual dividend basis and the first quarterly disbursement of a $1 per share is being paid for the quarter ending september 30. Earnings of the company since the beginning of the year have increased materially for the last annual report showed earnings on the common stock of $2.37 per share. There are 72,000 shares outstanding.

EARLY STATEMENT PURE FOOD CAPITAL CHANGES EXPECTED

The Creation of One-Class Stock Generally Anticipated

Definite news will be forthcoming in the next few weeks in regard to the conversion of the preferred shares of Pure Food Stores, Ltd., into common stock. This change in the capital structure of the company was mentioned in The Financial Post last month and while details are still lacking, it is understood that the first preferred will be retired and the second preferred exchanged for no par common. At present there are $150,000 first and $200,000 second preferred and 11,500 common shares outstanding. The latter is closely held and the only public investment interest at present is in the preferred for which there has been active demand lately.

Growth of Pure Food Stores has been exceptionally rapid, although confined only to the cities of Montreal and Ottawa. Expansion has been taken care of through earnings and the public offering of preferred stock a short time ago. Business this year is said to be even better than it was in 1926, and that net earnings have reached a high mark. Net profits for the year ended April 30 last, show an increase of over 20 per cent. as compared with the fiscal year ended December 31, 1926. Net profits after all charges were $70,620 for the year ending April last, compared with $58,668 for the preceding fiscal year. The first preferred dividend was earned about six and three-quarter times, and a balance of $4.01 per share was shown as available for common.

Operate Over 50 Stores

At the present time the company has over fifty stores in operation. Forty-three stores are being operated in Montreal, two new ones are under construction and it is expected that several more will be opened in the next month or two, as desirable locations become available.

Starting in Ottawa late in April with two stores, the company now has nine stores in the capital city, while an additional one will be opened before the end of August. Locations for other stores are under consideration, and, if present negotiations are successful, three more stores will be opened there within the next two months.

A splendid motor truck service is used to supply the Ottawa stores. Trucks leave Montreal at night, and arrive in Ottawa next morning before the stores open. The Ottawa stores are making quite a hit by specializing in fresh fruit, and the success of this line is due in no small part to the efficient motor transport service.

Business generally for Pure Food Stores is increasing to such an extent that a central site in Montreal, served by a railway siding, is under option for warehouse purposes. The warehouse to be erected will be 100 feet by 120 feet, and will consist of basement and two stories, with provision for the erection of two additional stories later.

Bell Telephone Rights Offered

From Our Own Correspondent.

MONTREAL.—The anticipated issue of rights to the shareholders of the Bell Telephone Company has materialized and each holder of five shares of the stock on September 2nd next will be entitled to subscribe to one new share at par. As the shares have been changing hands at about 150, it will be seen that the rights presently applicable to each share of stock will have a market value of about $10.

The new stock must be paid for in four instalments due November 1 next and January 3, April 2 and July 3, 1928. Each instalment is $25 except the last one which is $22.87. The rebate of $2.13 is for interest at 6 per cent. on the preceding instalments.

To Provide $10,000,000

The present financing will provide the company with some $10,000,000—sufficient to carry out its construction program during the present year and well on into 1928.

In a letter to the shareholders, C. F. Sise, the president says that under the new rate schedule the company's earnings are now on a satisfactory basis.

PRICE BROTHERS AND PT. ALFRED BUY NEW MILLS

Offer to Quebec Pulp & Paper Mills Will be Accepted

AMOUNT IS $3,000,000

Shareholders of Present Company Will Get Cash and New Securities in Deal

From Our Own Correspondent.

MONTREAL. — The information that Price Brothers and Co., and the Port Alfred Pulp & Paper Corp. would purchase the Quebec Pulp & Paper Mills, which was exclusively published by The Financial Post a week ago, has been borne out by an offer made to the shareholders of the latter company.

The offer has been made jointly by John H. Price, president of Price Brothers, and by George M. McKee, president of Port Alfred; they are acting on behalf of their respective companies.

The deal which has received the approval of the boards of directors of the various companies involved, is regarded as one of the major and one of the most constructive developments which has taken place in the pulp and paper industry during the past twelve months.

Has Yet to be Approved

Before the deal is finally consummated, it will have to receive the approval of both the Quebec Pulp & Paper Mills' shareholders and the provincial government, but due to the constructive and satisfactory nature of the deal it is anticipated that the further steps in the transaction are merely a matter of routine.

By the sale of the property, the shareholders will recieve both new securities, which have a potential value, and also some cash for their former holdings, which in view of the position of the groundwood pulp market, had but little value. Price Bros. and Port Alfred will consolidate their position in the Lake St. John area and in addition will obtain control of timber limits valued at about $3,500,000. In other words the deal cleans up what has long been one of the few unsatisfactory situations prevailing in the Canadian pulp and paper industry—a situation which was largely traceable to the fact that the market for mechanical pulp did not allow the producer any profit. There does not appear to be any hope for improved prices for the product for years to come.

To Form New Company

Ultimately a new company will be formed in which Price Brothers and Port Alfred will own all the common shares. These two companies will pay $3,000,000 for the new common shares. This sum will be distributed to the shareholders of the Quebec Pulp and Paper Mills who will also be given 7 per cent., non-cumulative, preferred stock in the new company in exchange for their shares.

The new company to acquire the Quebec Pulp and Paper Mills will have a closed non-cumulative, preferred share capital of $7,000,000. This new stock together with the $3,000,000 in cash will be distributed to the shareholders of the present company as follows:

For each preferred and each half share of common in the Quebec Pulp and Paper Mills, the holders has the choice of taking either $40 in cash and $70 in new preferred stock, or $21 in cash and $100 in new preferred for each old 1½ share unit.

For the holders of preferred who have no common and do not purchase an amount of common equal to 50 per

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Mild Recession in Productive Activity Now Apparent
Feeling of Uncertainty Exists Over Commodity Prices
Favorable "Visible" Balance of Trade Lower in July
Pig Iron and Steel Production Shows Seasonal Slackness
Revenue Freight Movement Continues in Good Volume

A MILD recession in Canadian productive activity became apparent in the last two months, according to the index of general business prepared for The Financial Post by Sydney B. Smith. The index based on 26 significant factors in the industrial life of Canada stood at about 137 in July, compared with 139.3 in June and 139.7 in May.

Most of the factors indicating manufacturing activity joined in the decline, imports of crude rubber being the chief exception. The heavy importation in July denotes activity in the rubber industry or the liberal provision of raw material for future use. The output of newsprint was less than in any month since February, indicating a slackening in demand in the United States market. The change over to the new model in the Ford plant interfered with the output of automobiles and the prince and pauper tradition for the primary iron and steel industry has again been demonstrated.

The activity in mining camps experienced no reaction. Merchandise imports increased in volume and the employment in wholesale and retail trade indicates that the distribution of commodities continued to be satisfactory.

While it is true that at this period of the year manufacturers and others are working on summer orders, some indications should be forthcoming shortly to enable the forming of an intelligent opinion on the trend of business during the next six months. Much depends upon the outcome of the crop, of course, and until harvesting has reached such a point as to allow of a fairly accurate estimate of possible revenues from farm operations, business men are inclined to hold back from formulating any definite programme for fall and winter operations.

Price Trend Important

Prices continue to hold the interest of the business man. The narrow margin of profit in most lines of industrial activity, has caused a feeling of uncertainty in regard to the future. In staple prices outside of agricultural commodities and products of such commodities, there has been no turn for the better, and the full August record is not likely to reverse the earlier movement of the year. There is undoubtedly at present more doubt over the price situation and its consequences than has existed at any previous time in the slow two-year decline of average prices. Such feeling of uncertainty as exists arises from belief that, at some point in an indefinitely continued lowering of prices, a point may be reached when it will be difficult to meet lower selling values with progressive economies in production.

Up to a very recent date, that offsetting process has seemed to achieve complete success. The rising profits of large producing enterprises appeared to be proof of it; indeed, the fact that increased profits had rarely in the past coincided with steadily falling prices has called forth in the present instance a theory of voluntary concession in prices for the sake of extending trade. But few people are disposed to regard such an attitude as probable toward an uninterrupted reduction of the selling price, and the industrial markets of the next few months will be studied with particular interest in that regard.

The July statement of foreign trade showed an adverse balance for the first time in the current fiscal year. Imports were nearly $12,000,000 greater than exports, while for the same period last year, exports were up $22,000,000. While this about face in the trade situation may be attributed in some measure to the fall in commodity prices, it is more than likely that the smaller volume of farm produce moving to export markets is the principal cause.

Exports show a marked decrease, as compared with the same period last year. On the other hand, imports show an increase. Disregarding the returns on the fiscal year basis and taking the total for the twelve months ended July last, the favorable "visible" balance of trade amounts to $202,254,977. Compared with the same period in the preceding year, there is a decrease of over $186,000,000.

Notwithstanding this sharp drop in the favorable balance, duty collected shows a considerable improvement. For the twelve months period ended July, 1927, revenue received by the Government from import duties totalled $164,711,000. This is the largest total recorded in many years and from the business man's standpoint is particularly gratifying. At the present rate of increase, final figures for the fiscal year will show a very substantial increase, which in turn may cause the Government to bring about a reduction or elimination of some of the irksome taxes with which Canadian business has to contend.

Pig Iron Output Lower

The drop in pig iron production during July below the preceding month and the corresponding period of last year, would, under ordinary circumstances, cause much speculation as to the reason for the decline. However, the change in automobile designs by practically all the manufacturers and the consequent slowing up of production, has curtailed demand from one of the principal users of iron and steel. Some idea of the restriction in motor car manufacturing activity may be gained from the fact that in July only 10,987 vehicles were produced, a decline of nearly 100 per cent. from the previous month and about one-third less than in July of last year.

Although the lessened activity in these two important industries has a vital bearing on the industrial situation as a whole, there is every expectation that conditions will become more active in the months immediately ahead. As for the first seven months of the year, results have been satisfactory. Pig iron production in that period was 4 per cent. greater than in the corresponding period of 1926; steel ingots and castings show a gain of 9 per cent.; while automobile production declined less than 2 per cent., owing to the sharp drop in July last.

Freight Movement Good

Car loading during the 32nd week of the current year did not differ essentially from previous reports, although the increase was slightly larger than usual. This index has been the best barometer of business conditions in Canada this year. Week after week, car loadings have faithfully indicated changes in the various key industries and it has been possible to gauge with a fair degree of accuracy the general situation. Since the beginning of the year over 1,942,000 cars have been loaded, as compared with 1,840,000 in the corresponding period of 1926. With the exception of livestock, coke, pulp and paper, other forest products and ore, all divisions have recorded increases of varying importance.

Early promises of an active building season for 1927, are being borne out. There has not been the number of large contracts placed as in 1926, but the increase in small buildings and residences has been sufficient to offset any loss in that direction. The value of building authorized during July showed a seasonal decline, but the cumulative total for the first seven months of the current year is the highest recorded in many years. Building has been stimulated, of course, by the decline in the cost of building materials.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest This Year	Latest Last Year	To Date This Year	To Date Last Year
Production—				
Pig iron, tons (July)	50,997	67,232	454,710	438,096
Steel, tons (July)	55,250	64,847	542,560	496,031
Newsprint, cwts. (June)	170,590	158,601	996,673	893,753
Automobiles (July)	10,987	15,208	137,795	140,085
Boots and shoes, pair (June)	1,475,493	1,459,072	8,847,761	8,446,445
Flour, bbls. (June)	1,314,212	....	8,105,839	9,024,000
Construction—				
Contracts awarded (July)	$50,881,200	$33,864,700	$242,205,000	$228,408,300
Building Permits (July)	$16,511,011	$18,683,415	$97,957,430	$97,443,834
Labor—Employment index (July)	....	....	108.4	103.7
Transportation—				
Car loadings (to Aug. 13)	63,343	58,368	1,942,539	1,840,580
C.P.R. gross (June)	$15,270,904	$15,533,968	$88,842,564	$85,227,786
C.P.R. net (June)	2,264,452	2,827,103	13,012,299	13,956,687
C.N.R. gross (June)	$22,545,250	$23,114,896	$129,698,814	$125,461,890
C.N.R. net (June)	646,564	2,027,580	14,070,787	15,557,784
Population—				
Emigration (May)	5,259	....	26,775	......
Immigration (May)	23,941	18,620	59,382	36,113
Trade—(July)—				
Imports	$91,368,667	$88,604,911	$625,237,583	$575,550,459
Exports	$80,786,849	$111,594,796	$641,819,203	$715,947,953
Imports of key products (June)—				
Rubber, lbs.	4,672,405	......(12 mos.)	54,856,129	45,656,630
Cotton, lbs.	10,697,443	......(12 mos.)	141,317,616	131,019,961
Sugar, $	4,118,211	......(12 mos.)	42,135,165	34,517,478
Petroleum (gal)	103,662,009	......(12 mos.)	750,732,872	604,260,965
Coke, tons (June)	57,446	......(12 mos.)	835,169	1,009,726
Exports of key products (June)—				
Newsprint (cwt.)	3,189,893	......(12 mos.)	36,295,169	30,850,671
Automobiles (pass.) (No.)	6,512	8,033	15,405	17,729
Wheat, bus. (July)	6,620,131	16,306,486	111,750,670	110,601,296
Wheat Flour, bbl. (July)	449,200	978,339	5,066,870	6,275,962
Finance—				
Failures, number (June)	138	145	890	864
Failures, liabilities, (June)	2,437,981	2,312,913	14,358,932	14,194,835
Bank Debits (June)	$2,880,000,000	$2,584,000,000	$16,018,000,000	$14,541,000,000
Bond sales (July)	$33,681,365	$59,682,964	$316,633,633	$400[illegible]21,826
Stock prices index (July 30)	....	....	358.7	179.9
Insurance sales (July)	$39,962,000	$40,101,000	$286,838,000	$268,918,000
Wholesale prices (1913-100)—				
General index (July)	....	....	152.0	155.9
Iron	....	....	143.6	143.7
Cotton	....	....	143.6	153.0
Grains	....	....	181.6	171.4
Cattle	....	....	123.5	109.0
Rubber	....	....	57.7	65.8

MUSIC OF BINDER BEGINNING TO BE HEARD IN WEST

Hopes Are Not Quite So High Since Frost of August 8

REGINA.—Telegraphic reports received by the statistics branch of the Department of Agriculture indicate that some early wheat has been cut in most districts. But cutting is not expected to be general until toward the end of the present week, or the beginning of next and in some districts it is not expected to be general before the first of September.

The tone of the reports is not quite so optimistic as that of two weeks ago, largely due to the frost on the morning of the eighth and the appearance of rust in some districts, and, in a few places, sawfly. The eastern part of the province, except in a few spots in the north, has suffered very little from frost. In the West Central and Southwestern districts there are scattered spots where the injury was quite severe. West of Shaunavon, however, little damage is reported.

Rust is reported in some districts but very little damage is yet apparent from this source and much depends on weather conditions whether or not the loss is likely to be important.

Agricultural Survey

Wheat Damage Reported
Demand is More Active
U. S. Wheat Crop Larger
Apple Crop Lower

Harvesting operations in the West will be general in another ten days or two weeks. In one or two isolated instances, cutting and threshing of wheat has been completed, but several days of good ripening weather are needed before the crops will be in the best shape for cutting.

Reports in the last few days have not been so encouraging, particularly those from Manitoba and Saskatchewan. Conditions in Alberta continue favorable and expectations are that the wheat yield in that province will be above average. Frosts have been experienced at a number of points and rust is fairly general in Saskatchewan and Manitoba. It is somewhat difficult to tell at present just what damage has been done.

Other grains are coming along in good shape. Many districts reported the rye harvest completed, with a good yield. Oats and barley have been touched with rust, but as in the case with wheat, Alberta is practically unaffected. Late flax has been damaged in a few areas by early frosts, but the crop is expected to be satisfactory.

Demand Is Better

In view of the possibility of the Canadian wheat crop not coming up to expectations, inquiries are coming in more freely from American millers for choice grades of cash wheat. Domestic millers are holding off at present and are not interested in the market. Holdover quantities of the better grades of wheat are unusually low and prices have been strong.

Grain conditions across the line indicate a wheat harvest of some 20,000,000 bushels greater than last year. The indicated production of wheat as of August 1, is placed at 851,145,000 bushels, which would compare with an actual yield last year of 832,305,000 and of only 626,429,000 bushels in 1925. In view of the rapidly increasing domestic consumption, it is not expected that the amount of wheat available for export will be any larger than last year.

Apple Crop Smaller

Early prospects for a heavy commercial apple crop have been materially reduced in the eastern fruit provinces, owing to unfavorable weather conditions which have caused the rapid development of scab and insect injuries. On the other hand, conditions have been more favorable in British Columbia since the middle of last month when the weather turned warm.

While recent conditions have caused a reduction in the apple crop, still the final yield is expected to be above that recorded for last year, despite a reduction of about 20 per cent. in British Columbia's crop. Present prospects indicate a commercial crop of 100.5 per cent., or 2,999,000 barrels, compared with 2,984,230 barrels in 1926 and 90 per cent. of a five-year average of 3,327,600 barrels. British Columbia is expected to have 1,049,000 barrels; Nova Scotia, 1,150,000; Ontario, 650,000; Quebec, 120,000; and New Brunswick 30,000.

Eastern Hay Crop Good

Grains in Quebec and Ontario have come along well and have every indication of a good yield. Fall wheat in Ontario, where threshed, is yielding 20 to 40 bushels to the acre, barley 30 to 40 and oats 40 to 60. Corn, peas, cucumbers and other canning crops, with the exception of tomatoes, are below average. The tobacco crop in both provinces is making good progress, especially in Quebec. Pastures are in good condition and there should be no scarcity of feed this winter.

Maritime crop conditions continue favorable. Potatoes are making good progress, but some rot is reported. Rain has interfered with the harvesting of a good hay crop. Present prospects are for an average fruit crop.

WHEAT POOL IN LONDON

A cable from London quotes A. J. MacPhail, chairman of the Canadian Wheat Pool, as stating that the pool will probably open offices in London, as they already have in Paris. Facilities for handling grain on the continental side are excellent, he says.

Fishery Operations in First Six Months Show Increase

Fishery operations during the first half of the current year show a marked improvement over the corresponding period of last year, both in respect to value and quantity. According to a report issued by the Department of Marine and Fisheries, the value of all sea fish caught and landed in a fresh of green state for the six months ended June 30, 1927, totalled $9,978,345, as compared with $9,226,912 in 1926, an increase of over $750,000.

Lobsters were the most important specie caught, being valued at $3,310,606. Next in importance was halibut, with a value of $1,926,947; followed by cod, $1,445,354; salmon, $1,007,754; and herring, $947,786. In practically every instance, there was an increase in the value of the more important commercial fish caught during the past six-months period.

The report shows that in the first six months of 1927, Nova Scotia accounted for $4,147,464 of the total value of the sea fish catch. Prince Edward Island reported a catch valued at $581,832; New Brunswick, $1,206,872; Quebec, $383,843; and British Columbia, $2,906,901.

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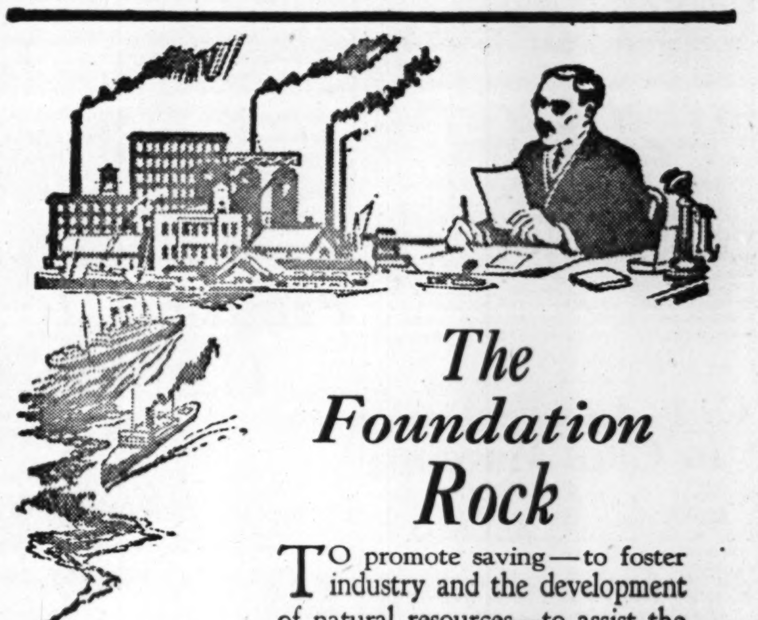

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ASKS EXEMPTION FROM TAXATION ON PEACE BRIDGE

Company Appeals to Ontario Railway and Municipal Board

PUBLIC WILL OWN IT

But, in Meantime, Private Individuals Get 7 and 8 Per Cent. Plus Ultimate Return of Principal

The Buffalo & Fort Erie Public Bridge Co., owner of the Peace bridge across the Niagara river, is appealing to the Ontario railway and municipal board for exemption from municipal taxation in Canada.

That portion of the bridge structure which is in Canada, approximately half, is within the corporate limits of the village of Fort Erie. The village assessor this year assessed the property at $1,000,000, which is less than one-third its cost. The village council, as a court of revision, reduced the assessment to $750,000 and was upheld, on appeal by the bridge company, by County Judge L. B. C. Livingstone.

Individuals Get Revenue

The bridge company is basing its plea to the municipal board on the ground that its charters in both countries provide that when the capital cost has been amortized, with carrying charges and maintenance, the structure is to be turned over to the two governments. There are $2,000,000 of 7 per cent. bonds and $1,500,000 of 8 per cent. bonds outstanding, held mostly by Buffalonians.

Fort Erie is contending that the bridge is a privately owned enterprise and that exemption cannot be equitable, if at all, while private individuals (i.e., the bondholders) are deriving revenue therefrom. It is understood that the city of Buffalo is taxing the structure, as it taxes the Canadian National Railways bridge one mile to the north. Moreover, Fort Erie points out that the municipality has been, and is being, put to considerable expense in building and maintaining roadways leading to the bridge and in regulating traffic. The $750,000 represents about 40 per cent. of the total assessment of the village, which has about 2,000 population. Last year the tax rate was 50 mills.

W. M. German Is With Village

In 1926, the village council, on appeal from the bridge company, granted exemption for the structure because the company at that time was deriving no revenue from it. The company paid only on property which had been acquired for the Canadian approach.

W. M. German, K.C., of Welland, vice-president of the company, has publicly announced his disapproval of the policy of the company in appealing for exemption. Traffic figures have not been revealed, but it is understood that earnings are in excess of expectations.

Southern Alberta Sugar Beet Crop Promises Large Yield

LETHBRIDGE.—Sugar beets in Southern Alberta are doing very well. In the Raymond district they are as far advanced as at this time last year and in the Coal Dale district further ahead. Taber is also well advanced but Magrath is somewhat behind. Prospects are for a larger tonnage this year. Six thousand acres have been thinned as against 5,200 harvested last year. T. George Wood, district manager of the Raymond Sugar Factories Limited, says the thinning has been done better and fewer beets have been plowed up than in the two previous years. Two new recovery stations are being erected in the Taber district to take care of increased tonnage there.

Dom. Power Co. Contracts For New Hamilton Car Barns

The Dominion Power and Transmission Co. has authorized the awarding of contracts for the new car barns to be constructed west of the company's inspection shed, Hamilton. The cost of the work will run to about $400,000. The new building will have a special driveway to permit visitors to inspect the plant, and will include bus garage, car shops, stores department, construction department and construction offices.

SETTLERS FOR LETHBRIDGE AREA

The Canada Colonization Association has been so successful in the Lethbridge district that it has been decided to place another 25 families there this fall. One of the present settlers has placed 120 acres in sugar beets, 58 acres in potatoes and 400 acres in wheat and other small grains; from which his returns this fall should be close to $15,000. There are eight families now working for him.

Western Investments

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CHILDREN SAVE $1,000,000

Penny Bank of Ontario Encourages Thrift on Part of Pupils

By J. E. MIDDLETON.

Children in about three hundred schools have on deposit with the Penny Bank of Ontario approximately $1,000,000. Over 60,000 pupils in Toronto alone are depositors, and in several other cities of the province the number of customers of the bank is imposing. The service is provided in fifty-five municipalities, large and small, and can be made available in any community served by a branch of any chartered bank.

Within the past five years the school-savings movement has been stimulated in the United States by a committee of the American Bankers Association, in consultation with a group of educational leaders. In various European countries also the system of teaching thrift by practical banking has become firmly established. The Ontario plan is thoroughly worthy and has some features which are unique.

By Special Act

The Penny Bank of Ontario is incorporated by special act of Parliament for one purpose only: the collection and protection of children's savings. It was established by a guarantee fund of $20,000, but no dividends may be paid to the men who provided the capital guarantee. The directors receive no fees, and not a dollar of the funds may be put on loan. The money must be invested in government securities, or deposited in the post office savings bank—save for a liquid reserve on deposit with the chartered banks. The only income of the bank is the interest on these securities and deposits, and the rate, of course, is not large. Out of that income there must be paid to depositors three per cent. on the minimum monthly balances. The surplus is just sufficient for an economical form of administration.

Clearly the Penny Bank of Ontario is not a money-making corporation. It is a philanthropy, supported by educational and financial leaders who know that thrift is a virtue worth teaching; men who understand that an ounce of practice is worth a ton of theory. The aim is to induce the habit of saving, and for that reason the banking hour comes regularly—generally every Tuesday morning. The money is paid to the teacher, who enters the amount of each deposit and the resultant balance in the child's pass book. A carbon copy of the entry goes to the bank with the money and there the records are kept.

Hoarding Not Encouraged

Hoarding is not encouraged. If the children learn that by regular saving they can accumulate enough money to buy some useful and lasting source of gratification, such as a bicycle or a pair of skates, the aim of the Penny Bank is achieved. The habit of saving learned at school usually persists when the individual begins to earn weekly wages.

A thrifty population produces a large reserve of capital for business expansion and tends to national prosperity. For that reason the interest of eminent financiers in the work of the Penny Bank of Ontario can be understood. Further, the habit of thrift is based on the habit of self-control, and self-control is the foundation-stone of good character. The man who saves money is generally a good citizen. The aim of the educationist is to produce in the schools a high percentage of good citizens. School-banking is a useful aid.

The Ontario Department of Education has appointed J. R. Littleproud as inspector of penny bank activities in the schools. Trustees, or other public-spirited citizens interested in the movement, can learn from him how the service of the bank can be reached at the Head Office, York and Richmond Streets, Toronto.

Business Conditions in United States

Dollar volume of trade in the United States during the week ended August 13, as indicated by check payments, although smaller than in the preceding week, was greater than in the corresponding week of last year, according to the weekly statement of the Department of Commerce. Wholesale prices again declined, reaching a new low level since the war. Prices for wheat and cotton averaged higher than in either the preceding week or the same week of last year. Iron and steel prices declined from the preceding week and the corresponding week of 1926. Receipts of cotton in to sight were larger than a year ago.

Loans and discounts of Federal reserve member banks expanded, both as compared with the previous week and the same week of a year ago. Prices of stock receded from the preceding week but were higher than last year. Interest rates on call loans averaged higher than in the previous week but were lower than a year ago. Bond prices continued to average higher, both as compared with the previous week and the same week of 1926. Interest rates on time averaged lower than in the preceding week or the corresponding week of last year. The federal reserve ratio continued to expand as compared with both prior periods. Business failures were more numerous than in either the preceding week or the corresponding week of 1926.

Production of bituminous coal during the week ended August 6 was smaller than in either the preceding week or the same week of a year ago. Lumber production during the same week was greater than in the preceding week but showed no change from last year. Beehive-coke production showed no change from the previous week but was lower than a year ago. Petroleum production receded from the level maintained during the last week of July but was substantially higher than a year ago. Receipts of wheat were higher than last year. Cattle and hog receipts also increased over a year ago.

(Weeks ended Saturday)
(Average 1923-1925. 100)

Bituminous-coal production	87.2	104.1
Lumber production	105.5	105.5
Beehive-coke production	43.3	67.8
Petroleum production (daily average)	123.7	102.8
Freight-car loadings	....	113.0
Building contracts (27 states)	102.2	105.3
Wheat receipts	306.8	296.8
Cotton receipts	36.2	22.7
Cattle receipts	83.5	74.4
Hog receipts	70.0	69.8
Price No. 2 wheat	96.5	97.9
Price cotton midd'ing	70.2	69.5
Price iron and steel composite	87.6	90.8
Fisher's price index	89.8	95.1
Bank loans and discounts (total)	116.7	112.6
Debits to individual accounts	118.4	115.5
Interest rates, call money	87.9	109.1
Business failures	95.3	92.1
Stock prices	179.5	135.5
Bond prices	108.9	106.2
Interest rates, time money	100.0	102.9
Federal reserve ratio	100.4	97.3

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St. John River Power Work Progresses

From Our Own Correspondent.

MONTREAL. — The Saint John River Power Company is making excellent progress with its hydro-electric development at Grand Falls, New Brunswick. The power house, in which three units of 20,000 horsepower each will be installed initially, is nearing completion. Work has begun on the coffer dam for the main dam, on the forms for the concrete lining of the pressure tunnel, and on the erection of the steel penstocks.

Newfoundland's Solons to Decide Deal for Paper

From Our Own Correspondent.

MONTREAL.—Next week the legislature of the Dominion of Newfoundland is to consider the offer of the International Paper Company for purchase of the mills of the Newfoundland Power & Paper Company from the Armstrong-Witworth interests. Doubtless the offer of the company will meet with the approval of the house, for it has apparently already been given the imprimatur of the cabinet.

When the deal is finally ratified by the Newfoundland government, the International Paper Company will be in a position to announce the new capitalization of the proper.

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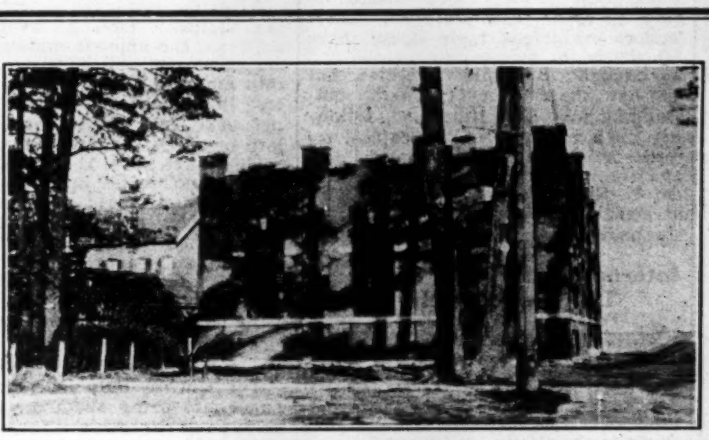
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
SATURDAY, THE FIRST DAY OF OCTOBER
next, to Shareholders of record at the close of business on the Fifteenth day of September.
By order of the Board.

WALTER F. WATKINS, *Secretary.*

Toronto, August 17th, 1927.



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The fire loss record of Orillia is one of which any town might well be proud. For the past ten years the annual loss from all fires has been less than $10,000. The town has an adequate fire protection system, with new motor fire truck and a permanent force of men, supplemented by a volunteer corps. As a result Orillia enjoys one of the lowest fire insurance rates in the country.

It is worthy of comment, too, that the water supply is pure, and the town enjoys an enviable record as a healthy centre.

Many industries have already found a home in Orillia. Some of them are very extensive, while the wide diversity is a factor of strength.

Many Diversified Industries

Among the plants manufacturing in Orillia are those engaged in the following industries: Woodenworking, as Orillia is on the edge of an extensive hardwood belt it is peculiarly suitable for all industries employing hardwood as a raw material; furniture manufacturing; saw mill and mining machinery; hardware; tannery products; worsted mills; clothing factories; flour mills; stocking and yarn mills; boat and canoe works; power launches; barrel factory; four foundries, including an electric furnace supplying all styles of steel castings, affording extensive facilities for securing castings; manufactories of baby carriages, toys, garden tools, display cases, bath room fittings; an extensive farm implement plant; brick yards; marble works; laundry and dairy, and others of a less extensive character. The argument is obvious, that a location that could provide the best location for such a wide range of industries must surely have unusual advantages to offer.

Additional Information Will be Gladly Supplied on Application to

R. H. Starr, Industrial Commissioner, Orillia, Ont.

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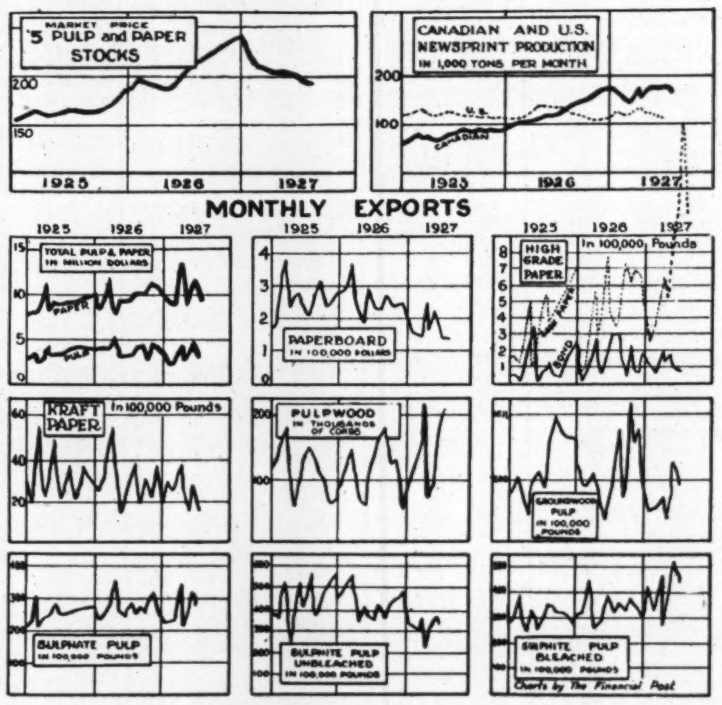
Pulp, Paper Production Feel Summer Slump Now

MONTREAL.—The Canadian Pulp and paper industry generally has experienced the usual summer slump. The accompanying chart shows that not only has the newsprint production declined, but also the total exports of unbleached sulphite, which in turn seems due to the increased consumption of unbleached sulphite by the new newsprint mills which have entered production.

Paperboard exports are still at a low level, but for earnings the paperboard companies in this country depend largely on the domestic demand, which, it is understood, is satisfactory.



ports of pulp and paper are lower. The chart covers the period up to the end of July of this year.

For the twelve months ended July, 1927, the value of total paper exports increased by about 8 per cent. as compared with preceding twelve months' period, but there has been a decline amounting to about 10 per cent. in the total volume of pulp exported during the past twelve months as compared with the preceding year.

The decline in pulp exports is largely traceable to the decline in the ex-

While the high grade paper exports declined during the past month, yet it will be seen from the chart that exports this year are far ahead of the 1926 level. Kraft paper exports continue low, but the domestic demand is satisfactory. The situation in the groundwood pulp market remains as unsatisfactory as ever, and exports continue at a low level.

INVESTMENTS

Federal and Provincial Government and Municipal Security offerings will be submitted on request

Public Utility

Bell Telephone Co. of Canada......	5%	102.50	4.85%
Canada Northern Power Corp. Ltd.	6½%	103.00	6.20%
Canadian Pacific Railway..........	4½%	96.50	4.85%
East Kootenay Power Co., Ltd....	7%	105.00	6.46%
Gatineau Power Company.........	5%	97.25	5.18%
Manitoba Power Company, Ltd....	5½%	100.00	5.50%
Montreal Island Power Company.. (Carrying warrants to purchase 2 shares Common with each $1,000 bond)	5½%	101.00	5.43%
Montreal Tramways Company, Ltd.	5%	99.75	5.02%
Montreal Tramways Company, Ltd.	5%	96.50	5.25%
Montreal Light, Heat & Power....	5%	101.00	4.95%
Northern Canada Power, Ltd.......	6%	102.75	5.75%
Northwestern Utilities, Ltd.........	7%	102.25	6.75%
Ottawa & Hull Power Co., Ltd.....	6%	105.00	5.60%
Ottawa River Power Co., Ltd.......	6½%	104.00	6.20%
Southern Canada Power Co., Ltd...	5%	99.50	5,05%
Winnipeg Electric Co., Ltd.........	6%	101.50	5.87%

Industrial

Canada Paper Company..........	6%	101.00	5.90%
Canada Steamship Lines..........	5%	100.25	5.40%
Canada Steamship Lines..........	6%	99.00	6.15%
St. Lawrence Paper Mills, Ltd......	6%	99.00	6.10%
St. Lawrence Paper Mills, Ltd...... (Cum. warrants)	6½%	101.50	6.26%
Windsor Hotel Company..........	6½%	105.25	5.95%

Preferred Stocks

Eastern Dairies, Ltd.............	7%	99.00	7.07%
Canada Northern Power Corp., Ltd.	7%	100.00	7.00%
East Kootenay Power Co., Ltd.....	7%	100.00	7.00%
Ottawa & Hull Power Co., Ltd.....	7%	100.00	7.00%
Power Corporation of Canada, Ltd..	6%	96.50	6.22%

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POOR VEGETABLE CROP IS AIDING CAN. CANNERS LTD.

Big Inventory from Last Year Will be Sold at Good Prices

Canadian Canners, Ltd., ended its fiscal year 1926 with manufactured goods on hand totaling $4,896,583. Canadian Canners is the largest concern of its kind in the British Empire, but the total of inventory appeared so huge as to be disturbing to the lay investor.

Officials of the company merely smiled when questioned as to the amount of the carryover. And events of this season appear to have justified the size of the inventory at the beginning of this year.

Pack Will Be Light

Fruits and vegetables which go into cans will be scarce. The prediction that this year would be a season of extremes has been amply borne out thus far, with an unusual number of earthquakes, storms, floods, and poor growing weather in the regions which normally produce mixed crops.

There will be a small quantity of corn canned this season and the tomatoes, if there is a good crop, will be a late crop, to mention only two products.

All this in the interest of Canadian Canners. A substantial portion of the inventory has been disposed of in the ordinary course of business since January 1st, it is reported, but the company is still with large stocks in warehouses. Prices are likely to stiffen materially in the course of the next few months as a result of short crops on both this continent and Europe, and this rise will increase the earnings of Canadian Canners.

PERFECTION EXPANDS

MONTREAL.—It is reported that the business of Perfection Glass Co. is developing satisfactorily. Since acquiring the Toronto Plate Glass Co. its field of activities has been materially expanded. It is now stated the Toronto company is the predominant organization of its kind in that field. Sales in all the branches of the company's activities have been increased.

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Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Aug. 24..............	105.	100.
Week of Aug. 17..............	101.5	97.
Month of Aug., 1926	83.0	75.7
9 Bank Stocks		
Week of Aug. 24..............	$274	$260
Week of Aug. 17..............	272	260
Month of Aug., 1926	226	222
10 Public Utilities		
Week of Aug. 24..............	127	114
Week of Aug. 17..............	115	111
Month of Aug., 1926	97	93

WEEK'S GAINS AND LOSSES

Banks	7	2	..	9
Paper	8	1	6	15
Steel	14	5	20	39
Foodstuffs	19	9	16	44
Utilities	10	6	15	31
Tractions	3	2	11	16
Industrials	22	10	32	64
Textiles	5	3	9	17
Total	88	38	109	235

Re-organization of Canadian Goodrich is Working Well

MONTREAL.—The recent declaration of the first half year's interest on the income bonds of the Canadian Goodrich Company, coupled with the directors' authorization to extend the plant to increase the output, indicates that the position of the company since the carrying out of the capital reconstruction plan earlier in the year has been improved and that the outlook for the future is better.

In the reconstruction of the company's capitalization in May of this year, the income bondholders waived their interest arrears and agreed to make their bonds non-cumulative to July 1, 1930. The preferred shareholders exchanged their stock, share for share, for new common stock and the common shareholders received but one new share for every twenty outstanding. At that time also, following the acceptance of the capital reconstruction plan by the shareholders and the income bondholders, the parent U. S. company agreed to provide at least $1,250.000 in new capital for the undertaking.

International Power Stock Touches New High Level

From Our Own Correspondent.

MONTREAL.—The strength exhibited by the common shares of the International Power Co. on the Montreal Curb this week is not attributed to any new development in the company or its subsidiaries. The increased price is due solely to the steady betterment in earning power being experienced by the company's subsidiaries.

The fact that the majority of the International Power's investments are in Latin-American republics is generally regarded as the speculative feature of the shares. But many large holders of the common stock feel that with the increasing foreign investment in Central and South America the trend on that continent is towards greater stability. Furthermore, it is pointed out that the development of the airplane, and its increasing use, is a factor which tends towards stabilizing political conditions in South America. Railroad development there has, of course, been retarded, but the airplane serves to link quite closely communities which formerly were separated by many days' travel.

As far as the various subsidiaries of the International Power Co. are concerned, it is understood that earnings from all the companies are on the up grade. While the record of the public utility companies in Central and South America has not been as brilliant as in North America, nevertheless, most of the companies there have shown a steady growth in earnings.

Principles of Selling by Mail
By James H. Picken
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Two things are necessary to make letters and all direct-mail efforts successful. They must be written correctly and used correctly. In other words the letter-writer must know both how to write and how to use letters. To fail in either one of these requirements is to fall short in making direct-mail appeals reach their maximum effectiveness.
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PRICE BROTHERS AND PT. ALFRED BUY NEW MILLS

(Continued from page 1)

cent. of their preferred holdings, there is an option provided also.

Exchange of Preferred

They may take either par for par in new preferred, or $20 in cash and $70 in new preferred for each share of preferred presently outstanding.

The foregoing options are to be exercised prior to December 15th next. Otherwise the old preferred will be exchanged par for par for new preferred.

After the preferred shareholders of the company have exchanged their holdings, the amount remaining from the $3,000,000 will be distributed pro rata amongst the common shareholders. In addition, the amount of new, 7 per cent., non-cumulative preferred, left over after the preferred shareholders have made their choice of the various exchanges offered them will also be distributed to the common shareholders of the company. How the common shareholders of the Quebec Pulp and Paper Mills will fare depends, therefore, on the way in which the preferred shareholders of the company decide to exercise the various option open to them.

Acquired by Bondholders

The Quebec Pulp and Paper Mills came into being about a year and a half ago as the result of the acquisition of the old Saguenay Power & Paper and the Chicoutimi Pulp companies by the bondholders. Thus the present shareholders are largely composed of bondholders of the old companies.

The mills of the company are located in the Lake St. John area, one at Chicoutimi and one at Val Jalbert, P.Q. The plants have a rated daily capacity of 500 tons of groundwood pulp. In addition the company owns developed and undeveloped water power with an ultimate capacity of some 50,000 h.p. Some of the power sites are developed. The timber limits which will soon come under the control of the Port Alfred Pulp and Paper Corporation and of Price Brothers are well located on the Saguenay and Peribonka water sheds.

UNLISTED SECURITIES

	Bid	Asked
Burns, P., pref.	100	..
Brooks Motor, 1 pref. & 1 com. ..	3½	4½
Can. Machinery, com.	5	7
Can. Westinghouse, com.	172	..
Chase, A. W., com.	3	7
Do., pref.	55	..
Dom. Combing Units	12	..
Fanny Farmer, com.	28	30
Do., pref.	33	35
Farmers Dairy, com.	100	..
Farmers Dairy, pref.	100	105
Goodyear Tire, com.	170	..
Goodyear Tire, 6% pref.	99½	100
Goodyear Cotton, pref.	96	..
King Edward Hotel, Deb. A.	68	72
King Edward Hotel, Deb. B	58	63
Loew's Buffalo, pref.	30	35
Nat. Grocers, 1st pref.	94½	97
Nat. Grocers, com.	1	3
Mortgage Discount, pref.	6	6¾
Toronto Finance, pref.	2	3½
Insurance—		
British America	30	..
Canadian Fire, Full Pd.	110	...
Canada Life	925	..
Canada National	15	20
Capital Life, 20% Pd.	23	25
Casualty of Canada, Full Pd. ..	185	..
Commonwealth, 10% Pd.	20	24
Confederation Life, 10% Pd.....	75	..
Continental Life, 20% Pd.	54	58
Crown Life, Full Pd.	210	..
Dom. of Can. Guar. & Accident..	300	325
Dominion Fire	100	..
Dominion Life, 50% Pd.	400	..
Excelsior Life 30% Pd.	75	...
Federal Fire, 25% Pd.	32	..
Fidelity of Canada, Full Pd.	120	135
Great West Life, Full Pd.	420	440
Imperial Life, 85% Pd.	385	420
Manufacturers Life, 40% Pd. ..	325	350
Monarch Life, 10% Pd.	41	..
Montreal Life, 20% Pd.	54	58
National Life, 25% Pd.	72	75
Ontario Equitable, 10% Pd.	30	33
Security Life, 40% Pd.	10	20
Sovereign Life, 25% Pd.	46	43
Sun Life, 75% Pd.	1025	1100
Toronto Casualty	27	30
Western Assurance	37	..

POOL MAKES FINAL PAYMENT ON GRAINS

Over $3,000,000 Paid to the Farmer Members on Coarse Grains

Final payment on coarse grains, totalling over three million dollars, has been sent out by the Coarse Grains Pools of Manitoba and Saskatchewan, it was announced by E. B. Ramsay, Secretary of the Central Selling Agency. This is the third payment made by the Coarse Grains Pools. Final prices for coarse grains are as follows: Oats, 2 C.W., 60½ cents; flax, 1 N.W., $1.92; barley, 3 C.W., 71 cents, and rye, 1 C.W., 97½ cents.

"As both the commercial and elevator reserves represent money invested by the farmer in his own business, and head office expenses represent only a fraction of a cent per bush., the net price received by the members of the Coarse Grain Pools is considered very satisfactory by the Central Board, and we believe it will be equally satisfactory to the Pool members," stated Mr. Ramsay. "The crop was an exceedingly difficult one to handle, and the prices realized for all grades have been very good."

Alberta has no Coarse Grains Pool.

The total amount paid to members by the Manitoba Coarse Grains Pool to-day amounts to $1,687,577, and by Saskatchewan Coarse Grains Pool $1,329,041.

"The Manitoba Pool handled 12,793,261 bushels of coarse grains out of the crop of 1926-27," said C. H. Burnell, president of the Manitoba Pool. "This represents an increase over 1925-26 of 10½ per cent. in barley; 59½ per cent. in flax, and 15½ per cent. in rye. There was a considerable decrease in oats owing to the poor crop of that grain in Manitoba. A large proportion of our coarse grains was of the lower grades, yet, as these final payments show, a very satisfactory price was secured by the Pool for all grades. I confidently expect a large increase in the membership of our Coarse Grain Pool after the publication of these prices."

The Saskatchewan Coarse Grains Pool handled a total of eight millions, three hundred and fifty-eight thousand, seven hundred and fifty bushels. This showed a decrease in oats owing to the poor crop in 1926, with more than double the quantity of rye handled the previous year, and flax and barley about the same as in the previous year.

Metropolitan Bldg. Leases Being Renewed at Advance

Leases expiring this autumn in the Metropolitan Building are being renewed at an advance in rentals amounting in some cases to 50 per cent. For some months after the building was completed, difficulty was experienced in renting available office space, but in the past year the office rental situation in Toronto has shown considerable strength and it is noteworthy that the Metropolitan, the largest office building in the British Empire, has been fully occupied during the past few months.

Asbestos Corporation Shares Now Stronger

From Our Own Correspondent.

MONTREAL.—The spectacular rise in the common shares of the Asbestos Corp. is being attributed here to the operations of a pool in the shares. On the other hand, it is understood that negotiations are under way leading to a possible further consolidation in the industry.

There is no doubt that this year the corporation is experiencing better business than in 1926, and at the close of the fiscal year the income account will show increased profits applicable to the common stock. As is the case when a stock scores a material advance, the increased price is always accompanied by many rumors, most of which originate in the fertile brains of those without a real knowledge of the corporation's activities. There is no doubt, however, that there has been a betterment in the position of the company, and that the outlook for the future may be regarded as satisfactory, more especially in view of the possibility of the closer co-operation between the various producers.

In the meantime, though, many shrewd investors feel that the common stock will still be obtainable at prices lower than those now prevailing.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft. Erie Brdge 7s '56	107½	109
Do., 8s '45	108	110
Buff Gen Elec 1st 5s '39	104	...
Bfo N & E Pow 5s, '30	102	104
Lockport L H & P 5½ '54	102½	104
N F 1st & con. 6s 1950	105	106
Niag Lock & Ont Pf	113½	115
Niagara Falls Pw. pf.	28	28¾

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Lake Superior Corp. Again Suffers Loss But Algoma, Its Subsidiary, Does Better

Diversifying Products of Sault Steel Plant is Expected to Result in Better Conditions for Company

Net earnings of Lake Superior Corp. were $251,179 in the fiscal year ended June 30, 1927, compared with a net of $256,267 the previous year. But while the financial position of the Sault Ste. Marie holding company shows no improvement, that of its principal subsidiary, Algoma Steel Corp., is markedly better, although there is still a net loss.

Algoma in the last fiscal year had net earnings, before interest, of $819,386, compared with $430,844 the previous year and $8,594 in the year ended June 30, 1925. But bond interest still is in excess of earnings, and it will be seen that the debit balance carried forward from June 30th has increased to $2,742,712.

Interest is Paid

Lake Superior Corp. is paying the interest on its first mortgage bonds, amounting to $263,900. Expenses of $55,752 and $192,500 written off for doubtful accounts leaves a net deficit for the year of $205,221 for the holding company.

The surplus account is a better picture, so far as the holding company is concerned. Owing to the transfer of $198,417 from suspense account to surplus, the corporation enters the present fiscal year with approximately the same surplus as the year previous.

Total gross assets of the corporation are given at $48,547,185. The principal assets are the securities of the subsidiary companies. The only current liabilities are accounts payable totaling $6,663 and accrued, but not due, interest on first mortgage bonds. The interest on the 7 per cent. noncumulative income bonds has not, of course, been paid.

With the report of the principal subsidiary, Algoma Steel Corp., showing a marked improvement over the previous year, it cannot be said that the outlook is no better. The report to the shareholders signed by Wilfrid H. Cunningham, president, stresses several points in connection with Algoma, which have been pointed out from time to time in The Financial Post.

Algoma Steel Corp.'s troubles since the close of the war and cessation of active expansion of railway mileage in Canada have been due to lack of diversity of product. The Sault plant until recently has been largely a rail manufactory. The rail mill is still far larger than the demand for rails justifies, it being operated through the year only about one day in five on the average. The company, as was reported in The Financial Post at that time, has made some alterations to provide a longer rail now demanded by the railway companies.

Production Rises

With a view to diversifying the product of the corporation, the sale of domestic coke has been extended in the last year or two and the facilities for manufacturing steel products other than rails have been extended. A further idea of the situation with regard to Algoma Steel is given in these remarks to the shareholders signed by Mr. Cunningham:

"Tonnage figures compared with the preceding year are as follows:

	1925-26	1926-27
Coal Imported	462,036	870,190
Ore Imported	263,937	483,084
Limestone Produced	147,540	182,493
Coke Produced	264,500	422,374
Pig Iron Produced	170,196	230,966
Steel Ingots Produced	185,149	213,719
Steel Products	139,019	163,704

"After intermittent operation on rail and billet orders during July, 1926, the Rail Mail was closed down. Rails were again rolled on single turn in September and October, but on completion of these there was no further operation of the Rail Mail until early in March, which continued till May 23rd, when the Mill closed on account of lack of orders, the opportunity being taken to have certain changes made in hot beds and finishing mill. Of the 313 working days in the fiscal year, the Mill operated double turn on rails 73 days and single turn 61 days, double turn on other products 2 days and single turn 38 days, and was closed down 139 days, operating time being 23 days greater than in the preceding year. Rails rolled amounted to 97,804 tons, compared with 85,356 tons in preceding year; Merchant Mill production was 63,213 tons, compared with 51,208 tons; pig iron shipments were 82,719 tons, compared with 69,219 tons; and coke shipments 149,343 tons compared with 73,070 tons.

Sales Increase

"Total sales of all products for the year amounted to $10,262,198.52, compared with $8,798,599.37 in the preceding year.

"Earnings show a gain over last year, net operating profit being increased from $393,146.34 to $731,758.09. Governmental Records of production and employment indicate a slow but steady improvement in Canadian business, and your Directors believe that the higher earning rate reached by the Corporation in the past year can not only be maintained but increased.

"Your directors wish to call attention to the fact that since pre-war days a marked change has taken place in the relative importance of various products turned out by the Corporation. Figures recently compiled show that while shipments from the Steel Plant increased from 343,812 tons in the calendar year 1913 to 377,557 tons in the calendar year 1926, the percentage, borne by rails and rail fastenings to the total, fell in the same period from 99 to 27. This has resulted from the falling off in demand for railway track material, and from the increasing of the Corporation's list of products in so far as is possible under existing conditions. To increase earnings, further facilities to produce a more diversified product are primarily required.

"In line with this policy the Coke Screening Plant referred to in last year's Report was completed and placed in operation in February of this year, and sales of coke, which were doubled in the past year, will be still further increased.

Unfilled Orders Higher

"To provide the railways with a longer rail which has been adopted as standard, the Rail Mill has been altered and its finishing facilities extended so as to produce rails in 39 ft. lengths.

"Value of orders on the books at June 30th, 1927, was $3,150,931.67 as compared with $1,628,662.00 at June 30th, 1926. Rail orders included in this figure will keep the Rail Mill employed on single turn from 1st August to well into September, and further bookings are expected. The early opening of navigation on the Great Lakes has made it possible to get the assembly of raw materials well advanced to take care of orders in hand for pig iron, steel products and coke."

LAKE SUPERIOR CORP.

Income and Surplus Account, Years Ending June 30

	1927 $	1926 $	1925 $	1924 $	1923 $	1922 $	1921 $
Gross Income	306,931	318,627	365,128	327,711	340,306	393,891	392,814
Less Oper. Expenses	55,752	62,360	85,060	67,532	69,328	103,595	165,864
Net Earnings	251,179	256,267	280,608	260,179	270,978	290,296	226,950
Less: Bond Interest	263,900	263,900	263,900	263,900	263,900	263,900	263,900
Writ. off for doubtful accounts	192,500	......	......	......	......	......	......
Net Income	*205,222	*7,633	16,168	*3,721	7,078	26,396	*36,950
Add Previous Surplus	959,973	967,606	951,438	955,159	948,081	921,685	958,635
Transferred	198,417	......	......	......	......	......	......
Balance Carried Forward	953,168	959,973	967,606	951,438	955,159	948,081	921,685

*Deficit.

	1927	1926	1925	1924	1923	1922	1921
Times Interest Earned	...	...	1.06	0.99	1.03	1.10	0.85
Earnings on Capital Stock— Earned	...	...	$0.04	...	$0.02	$0.06	...

ALGOMA STEEL CORP.

Income and Surplus Account, Years Ending June 30

	1927 $	1926 $	1925 $	1924 $	1923 $	1922 $	1921 $
Net Earnings	706,886	415,765	*323	1,042,109	355,092	330,088	1,065,906
Add Other Income	112,500	14,879	8,917	9,614	134,826	4,637	198,187
Total	819,386	430,644	8,594	1,051,723	489,918	334,725	1,264,103
Less: Int. Charges	1,070,635	1,069,403	1,078,143	1,075,678	1,071,558	1,166,621	1,258,141
Depreciation	....	....	....	....	....	....	500,000
Writ. off Inventory	....	....	....	....	....	....	1,117,078
Taxes	....	....	....	....	....	....	522,251
Loss on Investment	....	....	....	....	....	....	....
Net Loss	251,249	638,759	1,069,549	23,955	581,640	831,896	2,133,361
Less Appropriations—							
Preferred Dividend	....	....	....	....	....	....	....
Debit Balance	251,249	638,759	1,069,549	23,955	581,640	831,896	2,133,361
Add Previous Debit	2,494,462	1,852,703	799,287	755,332	171,812	†660,083	†2,793,444
Tax Adjustment	....	....	3,867	....	1,880	....	....
Debit Bal. Car. For.	2,742,712	2,491,462	1,852,703	779,287	755,332	†171,813	†660,083

*Deficit. †Surplus.

COMBINE LOWERS COSTS FOR GRAIN GROWER IN WEST

(Continued from page 1)

approximately 300 acres. Where a farmer has as much as a thousand in wheat he finds it more economical to have a combine for his individual use.

With Pickup Attachment

J. J. Strang, a farmer of Claresholm, Alberta, has enjoyed two years' experience with the new machine. He says from the new attachments the standing grain may be cut with the combine even when green, left in stook and later with the "pick up" attachment handled by the combine just as the old threshing machine would operate. This adds to the expense but it eliminates the chief complaint against the machine.

While it adds to the expense it is still more economical, he thinks, and much more convenient than the old method. His bills, he asserts, last year were cut in half as compared to the old style machinery. The cost with him from the time the standing grain was cut until the threshed grain poured into the wagon box was three cents a bushel. About forty-five cents per acre is the average cost where the ground is level and the grain uniformly ripe.

Prairie farmers in Western Canada, in late years, have gone in heavily for improved machinery of every description. The gasoline tractor is one of the new big factors on the average farm between the lakes and the mountains. In the early stages of the gasoline and oil tractors the tendency was to buy a big machine worth $5,000. These were not satisfactory in actual use and too expensive to operate, considering the initial cost. When they got out of condition they could not be repaired except by an expert from the factory. The return to horse-power was quite general. Then came the smaller tractor of simple construction. They became popular with large and smaller farmers very rapidly. Not only are they being used more extensively every year for pulling gang plows but they are pulling loaded wagons over roads that would be impassable with horses. They are also geared up to the saw and the grinding mills for chopping feed.

The expense of operation is still out of all proportion, the farmers believe, because of price of gasoline and oil. Thirty-five to thirty-eight cents a gallon for gasoline is a heavy drain on the farmer's resources. What the Canadian prairie farmer is looking for is a machine that will burn crude oil. A very considerable quantity of oil is now being produced in Southern Alberta. When this can be utilized in the power machinery of the Canadian farm, the economy will be very marked.

This season the quantity of farm machinery of every description purchased on the prairies has been out of all proportion to other years. Most of this has been paid for on delivery, while in other cases short time notes with a substantial cash payment have been the rule. There is no doubt the farmer is learning the art of merchandising and the elimination of the credit system of other days is proving a good thing for the farm implement dealer as well as the farmers.

INVESTMENT TRUST SECURITIES

With two or three exceptions, investment trust shares were but little affected by the recent unsettlement on the New York Stock Exchange, says Commerce and Finance. Financial & Industrial Securities Corporation shares and warrants declined rather sharply, and Incorporated Investors shares were quoted three points lower, but most of the other investment trusts were firm. It is said that the sponsors of several investment trusts are planning a movement to have this type of security listed on the stock exchange.

Officials of the stock exchange are said not to look with favor on listing of these securities, but it is possible that the curb market may be more receptive, and it is likely that several investment trust securities will be listed for trading there in the not distant future.

Stock Market Record

WEEK ENDING AUGUST 23

	Div. Rate	Yield Aug. 22	High for wk.	Low for wk.	Close Aug. 23	Close Aug. 16	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	4.69	280	273½	276	275	389	280	228
Dominion	12+1	4.92	272	263	263	274⅞	240	275	217
Can. Nationale	10	5.31	192	185	192	185	169	192	160½
Imperial	12+1	5.15	252	244	250	243	312	252	214
Montreal	12+2	4.25	332	329	330	334	301	337	272
Nova Scotia	16	4.60	348	346	347	344½	6270	350	298
Royal	12+2	4.66	301	299	300½	299½	568	302	257
Standard	12	5,10	235½	229½	235	230	479	235½	196
Toronto	12	4.66	260	247	260	250	282	260	227
Paper—									
Abitibi, com. (no par)	5	4.62	108	102	106½	102	4678	108	82
Do. pref.	7	6.03	..	...	...	...	...	119	113
Belgo-Can., pref.	7	6.66	105¼	104	105¼	105	20	105¼	101
Brompton (no par)	$2	5.26	39⅞	36	38½	36	9799	39⅞	31
Fraser, pref.	7	6.98	100¼	100	100¼	98¼	40	100¼	96
Inter. Paper, c. (no par)	$2.40	4.21	58	56	57⅞	58	19700	60⅞	39½
Do. pref.	7	7.03	..	...	...	...	...	99½	98⅞
Laurentide	6	6.07	99	96½	96½	96	5118	110¾	90
Price Bros., com.	2	3.36	60	59	59	59	220	63	51¼
Do. pref.	6½	6.35	103	103	103	103	40	104	100
Smith, Howard, com.	.	...	63	60	63	62½	44	68¾	59
Do. pref.	8	7.27	110	110	110	110	20	112	103½
Span. River, com.	7	6.60	106½	103⅞	105½	102	3175	106½	97⅛
Do. pref.	7	5.89	120	118¾	119	119	151	120	110¼
Wayagamack (no par)	$3	3.00	75	69	74½	69	3096	75	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	..	...	...	...	...	1⅝	½
Do. 1st pref.	.	...	20	20	20	21½	159	29¼	10
Do. 2nd pref.	.	...	1¾	1¾	1¾	1¼	307	4	1
Can. Car & Found., com.	.	...	36¾	36½	36½	36¾	210	50¼	35
Do. pref.	7	7.95	88	87½	88	88	215	94½	86¼
Can. Fairbanks, pref.	6	6.31	100	100	100	95	40	95⅛	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	18
Do. pref.	1½	...	..	...	...	...	...	87½	66
C.G.E., com. (par $50)	.	...	51	51	51	50½	11	60	49
Do. pref. (par $50)	7	6.03	59	57	58½	58½	116	61	55
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	...	..	...	...	...	...	60	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.53	..	...	...	...	...	89	81½
Carr. Factories, com.	.	...	..	...	...	...	...	¼	¼
Dominion Bridge	4	2.09	192	184½	191	183¾	3800	193½	116¾
Dominion Coal	.	...	..	...	...	...	...	85	69
Dominion Iron, pref.	.	...	2	2	2	1½	5	5	1½
Dom. Radiator, pref.	7	6.96	..	...	...	...	...	101¾	100
Dom. Steel Corp., pref.	.	...	32½	32½	32½	32¼	10	32¼	20
Ford Motor	15	...	..	...	...	...	...	475	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	9	8	8	8	1145	15	7½
Do. pref.	7	8.75	..	...	...	...	...	95	80
Massey-Harris, c. (no par)	.	...	37	36	36½	36	8159	42¾	29
Do. pref.	7	6.48	108	107¼	107¾	108	136	109¾	103½
McKin. Ind., c. (no par)	.	...	23	23	23	24½	15	25½	15
Do. pref.	7	7.44	..	...	...	...	...	97	93¼
Do. Vot. Trust	.	...	23	23	23	24	35	26¾	15
Ontario Steel, com.	4+1	5.26	..	...	...	...	...	95	73
Do. pref.	7	6.66	105	103	105	100	100	105	100
Page Hersey, c. (no par)	$3	3.79	79¼	77	78⅞	77½	39⅛	79¼	55½
Do. pref.	7	4.43	158¾	154	158¾	155	1251	158¾	116
Pressed Metals, com.	3	...	42½	40	42	39	56	46¾	34¼
Do. pref.	7	7.77	90	90	90	90	1	90	85
Russell Motor, com.	3	5.00	..	...	...	...	...	60	52
Do. pref.	7	7.50	95	93¼	95	93¼	35	99	90⅛
Steel of Canada, com.	7	4.51	157	147	157	143	2566	156	117
Do. pref.	7	4.47	157	153	157	143	808	157	127
Milling and Foodstuffs—									
Alta. Pac. Gr., c. (no par)	.	...	27⅞	22	27¼	22½	2199	27⅞	19½
Do. pref.	7	7.77	90	88¼	90	88	165	92	85
Arnolds, c. (no par)	.	...	13½	13	13	14	3500	26	10¼
Do. pref.	7	8.53	..	...	...	...	...	95	82
Atlantic Sugar, c. (no par)	.	...	23½	23½	23½	23	130	32	21¾
Do. pref.	.	...	91¾	91½	91½	92	130	101¼	90
B.C. Fishing, c. (no par)	$1.25	7.35	17¾	16⅛	17	16	1650	22	14⅝
Do. pref.	7	8.77	80	79¾	80	80	397	90	79
Can. Bak., c. (no par)	.	...	28½	28	28	28¼	70	38½	26
Do. pref.	7	7.00	100	100	100	100	16	102	97
Can. Bread, c. (no par)	$6	5.00	115¾	115¾	115¾	120	10	120	90
Do pref. (A)	7	5.85	120	119½	119½	119⅛	44	120	108½
Do. pref. (B)	7	6.33	111	110½	110½	111	62	112¼	103
Can. Canners, com.	.	...	..	...	...	...	...	63½	21
Do. pref.	5	5.39	93	91½	92¼	91¾	399	97	76
Canadian Salt	8	5.94	140	140	140	134½	40	136	123
Christie Br., c. (no par)	$1.20	2.00	60	59	60	60	160	66	38
City Dairy, c. (par $25)	3+1	2.75	145½	145	145½	142	59	152	179
Do. pref.	7	5.69	123	123	123	122	5	123	112
Cuban Can. Sugar, c.	.	...	1½	1½	1½	1½	30	5	1½
Do. pref.	.	...	..	...	...	...	...	37	27
Wm. Davies (A) (no par)	.	...	..	...	...	...	...	45	25
Oo. (B) (no par)	.	...	..	...	...	...	...	19½	9
Dom. Stores (no par)	$2.40	2.85	83½	81½	83¼	83	455	85½	65
Ham. Dairies, c. (no par)	.	...	28	28	28	28	50	33	24
Do. pref.	7	7.21	97	97	97	96	4	98½	96
Inter. Milling, pref.	7	6.60	..	...	...	...	...	107	104
Lake of Woods, c.	12	8.55	140¼	140	140¼	140	15	160	130
Do. pref.	7	6.03	116	116	116	118	10	118	110
Loblaw, com. (no par)	$1	1.77	58	55	58	56	452	58	48
Do. pref.	7	6.36	..	...	...	...	...	111	107
Maple Leaf Mill., c.	.	...	59	59	59	59	41	73⅛	49
Do. pref.	7	7.07	99⅛	97½	99	98	75	101¼	94
Ogilvie Flour, c. (no par)	5	1.78	293	280	293	279¾	120	293	205
Do. pref.	7	5.60	126	126	126	125	50	126	120¼
Pure Gold Mfg. (no par)	$1.50	7.00	22	21½	21½	22	511	22	19⅛
Shred. Wh., c. (no par)	$3	4.41	68	63	67	62¾	300	70½	55
St. Law. Flour, c.	.	...	..	...	...	...	...	31½	25
Do. pref.	7	8.23	..	...	...	...	...	85	80
Viau Biscuits, c. (no par)	.	...	17	16	17	20	185	26	16
Do. pref.	7	8.14	87	86	87½	86	30	92½	93½
W. Can. Fl., c. (no par)	$1.40	6.08	23½	23½	23½	23½	9	29½	22
Do. pref.	6½	6.42	101¼	101¼	101¼	102	60	103¼	100
W. Groc., c. (no par)	$1	...	..	...	...	...	...	29	18
Do. pref.	7	8.04	87	87	87	77½	3	87	74¼
Utilities—									
Bell Telephone	8	5.33	151⅝	149½	150	150	586	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.52	182	181	181	181	90	182	171½
East Koot. Pr. (no par)	.	...	..	...	...	...	...	29¼	26
Do. pref.	7	7.36	..	...	...	...	...	98½	95
Int. Util. (A) (no par)	$3.50	8.97	41	40	41	40¼	225	42	28
Do. (B) (no par)	.	...	..	...	...	...	...	7⅝	4½
Jamaica Pub. Ser., pref.	7	6.94	105	105	105	100¾	5	105	97
Laurentide Power	5	4.58	109	109	109	109	25	120	107
Mackay, com.	7	5.32	132	127	132	130½	947	132	108
Do. pref.	4	5.47	73¼	70	73	68½	747	74	67
Mexican Light, c.	.	...	..	...	...	...	...	44	27
Do. pref.	.	...	111	67	111	60	845	120	67
Mont. L H & P (no par)	$2	2.27	89	88	88½	89	4062	89	68⅛
Montreal Teleg. (par $40)	8	5.20	..	...	...	...	...	51½	49
Nor. Mexico Pr., c.	1	...	81	78	80	79	378	83	42
Do. pref.	7	7.44	94	94	94	94	10	94	82½
Ott. & Hull Pr., c. (no par)	.	...	29	29	29	30	1	30	26
Do. pref.	7	7.00	..	...	...	...	...	100	96
Ot. L. H. &Pr., c.	6	5.55	108	108	108	107½	5	108	98½
Do. pref.	6½	2.26	..	...	...	...	...	107½	102
Mexican L. & Pr. 2nd pref.	.	...	2⅛	2⅛	2⅛	...	3090	2⅛	2⅛
Quebec Power, c.	6	2.15	290	276	286	278	1751	311	190
Shawinigan (no par)	$2	2.38	88	83½	88	83	13288	93¾	67
So. Can. Pr., c. (no par)	2	2.17	92	92	92	92½	12	97	85
Do. pref.	6	5.94	102	100½	101	101	38	102½	99½
Transportation—									
Can. Pacific Rly.	10	5.34	188⅞	186	187	189⅛	148	194½	166
Can. Pac. Rly. Rights	.	...	4.25	400	412½	...	1004	425	400
Can. Steam., c. (no par)	.	...	36½	36	36	36¾	365	42	35
Do. pref.	6	6.52	92	89	92	89½	5529	94¾	82½
Do. voting	.	...	32¼	32	32	35	120	37½	32½
Tractions—									
Barcelona (par $50)	1	...	..	...	...	...	...	65	33½
Brazilian, c.	6	3.43	175⅛	170¾	175	170½	20369	175⅛	102½
Do. pref.	6	4.12	146	140½	146	140	895	146	104
Detroit Un. Rly.	.	...	..	...	...	...	...	5	2
Duluth-Superior	$2	7.69	26	26	26	26	120	30⅝	25
Illinois Trac., pref.	6	6.09	..	...	...	...	...	98½	98½
Minneapolis S.S.	.	...	..	...	...	...	...	48½	42⅛
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.43	184	184	184	185	6	200	169
Ottawa Traction	4	6.06	66	66	66	66	21	70	64
Porto Rico Rlys., c.	2	2.80	..	...	...	...	...	70⅝	59
Do. pref.	7	7.29	..	...	...	...	...	96⅛	90
Twin City, c.	4	7.72	52	51½	51	51½	238	66	48⅝
Do. pref.	7	6.79	..	...	...	...	...	103	100
Winnipeg Elec., c.	2	2.56	79	77	79	77⅞	963	79¾	60¾
Do. pref.	7	6.68	104¾	103½	104	104	146	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	8.98	45	44⅝	45	45	50	50	36
Can. Converters	7	7.10	99	98½	99	99	30	107½	92
Can. Cotton, com.	8	6.66	120	117	120	115	25	132	115
Do. pref.	6	6.03	100	99½	100	100½	47	100½	95
Can. Woollens, com.	.	...	..	...	...	...	...	10	5
Do. pref.	.	...	..	...	...	...	...	63½	59¾
Cosmos Imp., c. (no par)	.	...	30	27½	29	27½	4443	30	13
Do. pref.	7	7.16	98¼	97¾	97¾	97¾	116	101	91¼
Dom. Textile, c. (no par)	$5	4.09	122¾	117	122¾	115	5078	122¾	105
Do. pref.	7	5.69	..	...	...	...	...	123	117

	Div. Rate	Yield Aug. 22	High for wk.	Low for wk.	Close Aug. 23	Close Aug. 16	Sales for wk.	Range, 1927 High	Range, 1927 Low
Monarch Knit, c.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	51	51	51	51½	10	54	49
Montreal Cottons, c.	6	5.21	..	...	...	...	...	117	110
Do. pref.	.	...	..	...	...	...	...	118	114
Penmans, c. (no par)	$4	5.13	78½	77	78½	75	1475	79	70
Do. pref.	6	5.76	104	104	104	105	10	105	101
Wabasso Cotton (no par)	6	6.25	98	95	98	94	700	116	84
General Industrials—									
Amer. Sales, c. (par $20)	4	6.34	63	62	63	61	208	75	60
Do. pref.	7	7.00	100¼	100	100¼	102	25	102	97½
Asbestos Co., c. (no par)	.	...	31½	27	30	27½	7127	22¾	20
Do. pref.	7	7.54	95	90½	95	91	2962	95	82¾
Brant. Cord. pf. (par $25)	8	9.30	21½	21	21½	20¾	160	25	21
Building Prod., pref.	7	7.10	98	98	98	98½	10	98½	93½
Burt, F. N., c. (par $25)	$3	4.93	63⅛	61	61	60½	956	66	56½
Canada Cement, c.	6	3.35	179	160	175	159¾	6712	179	124½
Do. pref.	7	5.69	123¾	123	123	123	206	124	116
C. Ind. Alc. (no par)	$1.28	3.66	35⅝	33½	33⅞	34⅝	7623	35	21¼
Can. Oil, c. (no par)	$1	4.50	24½	24	24½	24	321	24⅞	21
Do. pref.	8	6.78	118	117½	118	117⅛	60	121	115½
Can. Bronze, c. (no par)	.	...	48⅛	46	48	46	1450	50¼	43
Do. pref.	7	6.96	101	100	101	101	53	101	98½
Crow's Nest Coal	6	11.11	54½	52	54½	...	80	71⅛	50
Dom. Glass, c.	7	5.69	123½	119	123½	119	1470	125½	104
Do. pref.	7	618	113¼	113¼	113⅛	114	100	115	111½
Dom. Rubber, pref.	7	9.33	..	...	...	...	...	30	24
E. Theat., c. (par $25)	.	...	..	...	...	...	...	30	24
Do. pref.	7	7.21	..	...	...	...	...	97	92½
Famous Players, com.	.	...	30½	30	30½	30½	22	31	20
Do. pref.	8	8.51	95	94	95	95	285	101	93½
Gilman, com.	6	5.45	..	...	...	...	...	112	110
Do. pref.	7	6.08	115¼	115	115	115	75	125	110
Goodyear Tire, pref.	7	6.96	100½	100	100½	100½	140	109	94½
Hayes Wheel, c. (no par)	.	...	34⅛	32½	32½	32½	691	34⅛	27¾
Do. pref.	7	7.29	..	...	...	...	...	97	91
Holt, Renfrew, c.	.	...	..	...	...	...	...	45	43
Do. pref.	7	7.60	..	...	...	...	...	92	85
Hunt's Ltd., c. (no par)	.	...	..	...	...	...	...	25¼	20
Do. pref.	7	7.60	92	92	92	92	10	95	90
King Edward Hotel	$1	...	39	38	38	40	100	60	20
Lake Ont. Brew. (no par)	50c	...	29¾	28	29	28	1276	30	24
L. Secord, c. (no par)	.	...	34	33	33⅛	33	85	35	26
Do. pref.	7	6.36	110½	110	110	110	15	112	102
Lyall Construction	.	...	30	29¼	30	29½	35	45¾	25
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	7.00	100	100	100	102½	6	105	96½
Muirhead's, c. (no par)	.	...	9½	9½	9½	9	85	9¾	8⅞
Do. pref. (par $10)	1	...	11¼	10⅞	10⅞	10⅞	148	11¼	10⅞
Nat. Brew., c. (no par)	4	5.28	75¾	70¼	75	71	22163	75¾	65
Do. pref.	7	6.48	108	108	108	108	130	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	1250	..	...	...	...	...	81	56
Pacific Burt, c.	6	6.25	96	96	96	97	10	100	87
Do. pref.	7	6.43	109	109	109	108¾	7	109	102
Port Hope San., com.	3	2.06	145½	145½	145½	145	10	145	125
Do. pref.	7	6.54	..	...	...	...	...	108	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do. pref.	7	7.00	..	...	...	...	...	102	92
Seagram (no par)	.	...	23	22	22	22½	4755	28⅞	15
Sher-Williams, com.	6	3.42	175	163	175	160	175	175	142
Do. pref.	7	5.83	120	120	120	119	25	120½	117
Standard Chem., pref.	.	...	..	...	...	...	...	20	15
Stanfords, c. (no par)	.	...	19	19	19	19	8	20	19
Do pref.	7	7.69	91	91	91	92	35	92	91
Sterling Coal	4	13.33	30	30	30	30	61	36	30
Tooke Bros, com.	.	...	..	...	...	...	...	x8	8
Do. pref.	7	10.00	70	65	70	72	70	72	65
Tooke Bros., new	.	...	12	5	12	5	195	12	5
Tuckett Tobacco, com.	4	5.26	76	76	76	75½	40	76	69
Do. pref.	7	6.63	..	...	...	...	...	107	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.18	..	...	...	...	...	89	76
Trust and Loan—									
Can. Landed (par $50)	10+1	5.39	..	...	...	...	...	102	94
Can. Permanent	12	5.21	230	230	230	222⅝	6	230	216⅛
Colonial Invest. (par $10)	6	...	..	...	...	...	...	7	5
Huron & Erie	7—½	4.96	150	150	150	151	30	152¼	139
Landed Banking	9	5.28	..	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.91	..	...	...	...	...	52¾	47
National Trust	12	4.78	..	...	...	...	...	255	232
Ont. Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	6.86	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.89	..	...	...	...	...	246	220
Toronto Mtge. (par $50)	12+1	5.27	..	...	...	...	...	105½	100
Union Trust	7	6.16	..	...	...	...	...	113½	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	7.12	..	...	...	...	...	98⅝	98
Attendu Engine (par $1)	.	...	18	17	17½	17	357	35½	14
B.C. Oilfields (par $5)	.	...	..	...	...	...	...	2⅝	2
Beacon Oil	.	...	16	15½	15½	16¼	95	20⅝	15
Belding, com.	6	8.21	..	...	...	...	...	88	67
Do. pref.	7	7.23	96¾	96¾	96¾	96¾	10	100	96¾
Brading Brew. (no par)	$2	...	..	...	...	...	...	35½	20
Brew. & Distil. (par $5)	5	...	..	...	...	...	...	6½	4½
Brit. Amer. Oil (no par)	80c	2.96	27	26¼	26⅞	26½	7249	28	20
Can. Brewing (no par)	.	...	25⅞	25	25⅝	25	286	30¼	23
Can. Celanese (no par)	.	...	74½	73	73	74½	480	77½	52¾
Do. pref.	.	...	..	...	...	...	...	92	88
Can. Light & Power	.	...	44	42	44	41	67	55	20
Can. Nor. Pr., c. (no par)	.	...	54	54	54	53½	15	53½	42
Do. pref.	7	7.14	..	...	...	...	...	100	98
Carling Brew. (no par)	.	...	30	27⅝	29	28¾	11009	28½	22⅞
Cockshutt, pref.	4	5.04	79¼	78	78	79	395	82	67
Continental Oil	$1	...	17¼	17¼	17¼	16⅝	200	22¼	16½
Cosgrave Brew. (par $10)	7	7.77	9½	9	9	96	1190	12	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	...	..	...	...	...	...	54	50½
Com. Alcohol (no par)	.	...	..	...	...	...	...	70	15
Cuneo Press	.	...	..	...	...	...	...	58⅝	58
Dom. Engineering	8	4.21	..	...	...	...	...	190	135
Dom. Power, pref.	7	6.98	..	...	...	...	...	101	100
Dryden Power (no par)	.	...	14½	14	14½	14	380	15½	9½
E. Dairies, c. (no par)	.	...	33	27½	33	27½	349	33	20½
Do. pref.	7	7.36	..	...	...	...	...	96½	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18½	15
Do. pref.	.	...	..	...	...	...	...	95	72½
Foothills Oil	.	...	2.50	2.50	2.50	2.55	600	3.25	2.00
Good. & Worts (no par)	$1	2.00	51	47½	50	47½	1535	64	43¼
Chas. Gurd., com.	.	...	41	36	38	36	1430	41	28⅞
Do. pref.	.	...	94	94	94	93	31	94	93
Hiram Walker (no par)	$2	4.00	50	47½	49¾	47½	6570	57¼	28½
Illinois Power, pref.	7	7.00	..	...	...	...	...	101	98
Imperial Oil (no par)	$1—50c	3.06	49⅝	49	49½	49	48812	50½	37¾
Imp. Tob., c. (par $5)	6	3.75	8	7¾	8	8	850	8½	6¾
Inter. Petrol. (no par)	75c	2.41	31¾	30¾	30¾	31¼	1820	35¼	28
Inter. Power, com.	.	...	27	20	27	18½	279	27	14½
Do. pref.	.	...	85	85	85	87	2	90½	85
Loew's London, com.	25+5	...	..	...	...	...	...	5⅜	4½
Man. Power (no par)	.	...	60	59	60	58½	425	60	50
McColl, com (no par)	80c	1.77	46	41	44	40½	7954	46	22½
Do. pref.	7	5.98	..	...	...	...	...	120	129
Mitchell, J. S.	.	...	..	...	...	...	...	32	28
Mitchell, Robt., pref.	.	...	93	93	93	93	20	93	93
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	..	...	...	...	...	55¾	40
Perfection Glass	.	...	..	...	...	...	...	8	7
North. Bak. (no par)	.	...	30	29⅛	29½	29	4151	36¾	25
N. Star Oil, c. (par $5)	.	...	..	...	...	...	...	2.55	1.15
Do. pref. (par $5)	7	...	..	...	...	...	...	5.01	4.90
N.S. Car, c. (no par)	.	...	..	...	...	...	...	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	7.14	..	...	...	...	...	49	47
Ott. Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., c. (no par)	.	...	..	...	...	...	...	60	25
Do. pref.	.	...	..	...	...	...	...	100	95
Port Alfred, pref.	7	12.72	58	57	57	55	50	97½	55
Power Corp., c. (no par)	.	...	43¾	43	43¾	43¾	2945	45	27¼
Do. pref.	6	6.34	..	...	...	...	...	97½	94
St. Maur. Power	.	...	152	131½	152	126	1930	152	96
St. Maur. Valley, com.	.	...	57½	56	56¾	56	1125	57½	47
Do. pref.	7	7.21	98	97	97	97	105	98	94½
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	102	100
Sovereign Secs (par $5)	.	...	..	...	...	...	...	200	150
St. Law. Pap., c. (no par)	.	...	50	48	50	50	600	54	35
Do. pref.	8	7.54	..	...	...	...	...	108	104
Standard Clay	.	...	..	...	...	...	...	40	38
Toronto Brew. (no par)	.	...	12	11½	11½	12	70	13¼	12
United Secs., com.	.	...	..	...	...	...	...	70½	43½
Do. pref.	6	5.76	..	...	...	...	...	105¼	103¼
Volcanic Oil	$2.52	...	..	...	...	...	...	47¼	23
Do. Rights	.	...	..	...	...	...	...	150	95
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6¼
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	..	...	...	...	...	19	18
Zimmerknit (no par)	.	...	19⅞	19	19	19	220	19	18
Do. Pref.	7	7.77	90½	90	90	91	16	91¼	90

xQuotations for 1926. No sales recorded in 1927 to date.

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BONDS AND SHARES

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219 Bay Street, (Ground Floor) Toronto

Pulp & Paper

LAURENTIDE HAS LOWERED PROFITS ONLY MARGINALLY

Earns 6.06 Per Cent. as Compared with 6.60 a Year Ago

From Our Own Correspondent.

MONTREAL.—The annual report of the Laurentide Company for the fiscal year which ended June 30 covers the first full twelve months' period during which the company received lower prices for its output. While the first eight or nine months of the fiscal year was a period of general activity and productivity in the Canadian newsprint industry, yet the concluding months of the fiscal year witnessed a decided curtailment in the activity at the newsprint mills. Thus, while Laurentide experienced some curtailment in operating and net profits, the results which have been achieved are regarded as satisfactory.

A comparison of the company's income account and working capital figures over the last three years follows:

	1927	1926	1925
Op. prof.	$2,317,025	$2,486,267	$2,631,394
Misc. prof.	78,348	146,682	38,711
Investments	380,693	388,918	391,557
Total inc.	$2,776,067	$3,021,868	$3,061,663
Int., etc.	313,351	316,293	381,065
Balance	$2,462,716	$2,705,574	$2,680,598
Deprec., etc.	715,225	798,741	770,622
Net profits	$1,747,491	$1,906,833	$1,909,975
Dividends	1,728,000	1,728,000	1,728,000
Surplus	$19,491	$178,833	$181,975
Prev. surp.	2,467,964	2,289,131	2,107,156
P. & L. bal.	$2,487,455	$2,467,964	$2,238,131
P.C. on cap.	6.06	6.6	6.6

Working Capital Position

	1927	1926	1925
Curr. assets	$9,279,944	$10,013,206	$11,417,137
Curr. liabs.	3,225,164	2,046,602	4,110,410
Work. cap.	$6,054,780	$7,966,604	$7,306,727

Balance Sheet Changes

In the balance sheet the plant account is now carried at $25,297,536—an increase of $1,990,005 from a year ago. The increase in this account is probably accounted for by the two major additions made to the company's assets which are referred to in the remarks of the president. Investment account is carried at $473,111 lower than a year ago and stands at $4,654,835. Cash account has been reduced from $358,153 to $30,785. Accounts and bills receivable are materially lower, whilst inventories have increased. Deferred charges have been reduced by some $29.000, and total assets now stand at $34,777,990—an increase of $1,227,803. The only significant change in the liabilities is seen in the appearance this year of a new bank loan of $1,210,754.

Remarks to Shareholders

The reduction in the ratio of current assets to current liabilities is largely accounted for by the appearance of the bank loan in the liabilities.

In his remarks to shareholders, George Chahoon, jr., president, states that the mills have operated during the year with a curtailed production, and the contract price for newsprint has been lower. He also states that the company has acquired full ownership of the Menjobagues Lumber Company, Limited, and purchased the Perthuis Seigniory, thus materially increasing its timber resources. The investment in the Menjobagues Lumber Company is shown in the balance sheet at $1,051,922.

SASKATCHEWAN BUILDING LOWER

Building construction in the province of Saskatchewan for the first seven months of the present year runs to $5,405,456, as compared with $8,228,043 for the similar period of last year.

Big Coast Paper Mill Project is Considered

From Our Own Correspondent.

MONTREAL.—Preparatory to establishing one of the largest paper mills on the Pacific coast an investigation of the Canadian Forest Products, formerly the Beaver Cove Pulp & Timber Co., is being carried out by the present owners of the property, namely, International Harvester interests.

The new interests intend to expend ultimately some $10,000,000 in erecting a plant with a capacity of 500 tons daily. The present investigations, however, will take about a year to complete. A large outlay will be made in reconditioning the present mill which has a rated capacity of 40 tons daily of sulphate. A sawmill is also to be erected. When finally completed the project should support a community of about 6,000 people.

ABITIBI'S NAME AS POWER CO. CONFUSES SOME

Occasional Buyers of Stock May Not Class It as Newsprint Producer

From Our Own Correspondent.

MONTREAL.—The reason for the present strength in the shares of the Abitibi Power & Paper Co. is due apparently only to one cause, namely, the general strength which has invaded the market for the shares of newsprint companies recently.

One other thing, though, may have had something to do with the strength in the shares. Abitibi is listed in New York, but in the States it seems to be known as Abitibi "Power" instead of Abitibi "Paper", its usual appellation in Canada.

Early this week an investment banker from St. Louis wandered into the office of one of the partners of a leading investment house in Montreal and made the suggestion that as Abitibi's territory was very sparsely settled, the shares of the company could hardly be as attractive an investment as some of the other Canadian power and public utilities!

While Abitibi is a very large power producer—the capacity of its plants amount to some 115,000 horsepower—yet it is well known in this country that practically all its power production is utilized in its own mills, and that broadly speaking the only source of Abitibi's revenues is pulp and paper.

Placed in Wrong Group

Thus, because Abitibi is known as Abitibi "Power" in the states, it may well be that some of the buying has originated with those who have only the haziest of hazy ideas of the real activities of the company and who believe the company is a wholesaler of power. Abitibi's shares are, of course, among the most attractive of the common shares in the newsprint field—but like the securities of the other newsprint companies, conditions in the industry over the past three or four weeks have shown anything but an improvement, and general bouyant stock market conditions are alone responsible for strength in the shares of all these companies. There is no doubt that the prevailing conditions in the industry would most certainly not have tended to increase the price at which the newsprint securities change hands.

It is worthy of note that it is not only the individual investor who is sometimes misled by the full name of Abitibi. This week, what is perhaps the most influential financial journal in the United States referred to Abitibi shares as "one of the most interesting securities in the power group."

NEW ALBERTA FISH HATCHERY

In Alberta construction of the first commercial fish hatchery will be started in September, announces R. T. Ross, Dominion fisheries inspector. It will be located at the mouth of Canyon Creek, on the south shore of Lesser Slave Lake. It is estimated that 100,000,000 white fish will be propagated at the hatchery every year to maintain an undiminished supply of fish for the many companies operating in the lake.

RAILWAY LINE REACHES LAKE ST. JOHN MILL

Output of New Plant Has Been Contracted for in Entirety

MONTREAL.—The Lake St. John Power & Paper Company has been linked to the outside world by the completion of the Canadian National Railway's extension of its lake St. John line from St. Felicien to Mistassini, the location of the plant now under construction.

The completion of the railway means that the receipt and installation of the equipment in the new mills will be expedited. The scheduled date for the mills' operation is December. The completion of the railway somewhat sooner than was originally anticipated appears to ensure the completion of the plant at the date set at the time the securities of the company were offered the public.

The Lake St. John Power & Paper Co. is in a rather happier position than some of the other mills entering, or just about to enter, production for a contract for its entire output has been signed with one of the largest publishing companies in the U.S. It is generally understood that the Hearst papers will absorb the production of the plant.

Branson, Brown & Co. is New Name of Firm

R. P. Clark & Co. Ltd., of Victoria, B. C., announce the change of the firm's name to Branson, Brown & Co., Ltd.

The partners, C. L. H. Branson, C. E. Brown, W. J. Gurney and Geo. A. Melville were mostly identified with the firm since its inception in 1920, under the name of R. P. Clark & Co., and have been mainly instrumental in the sane growth of the business. At the beginning of the present year the partners purchased from R. P. Clark his entire interest in the firm, and hence the change of name.

The firm have memberships in the Winnipeg Grain Exchange, B. C., Bond Dealers' Assn., also the Vancouver and Victoria stock exchanges, in addition to which they are the Victoria correspondents of Logan & Bryan, of New York.

C. L. H. Branson, president, is an old London stock exchange man, with many years' experience in Mexico with Lord Cowdray. He entered into partnership with Gen. Clark of Victoria in 1921. Mr. Branson is a member of the Winnipeg Grain Exchange, also the Vancouver stock exchange and the Victoria stock exchange, president of the Island Tug & Barge Co. of Victoria, and president of the B. C. Wine Growers Company.

Charles E. Brown, vice-president, is a native of Victoria, and well known in financial circles. Mr. Brown has been with the firm since its inception and is considered a financial authority in the City of Victoria.

W. J. Gurney, secretary, is well known both in Victoria and Ontario, having been city treasurer of Port Arthur for a number of years.

Geo. A. Melville, in charge of the local stock department, has the reputation of being exceedingly well read on all British Columbia enterprises.

The bond department staff is served by both Major A. E. Christie, at one time manager of the Union Bank and of the Royal Financial Corporation, Ltd., and Major Allan (Gus) Lyons, M.P.P., popular local member of the Provincial Legislature.

The firm has 24 employees.

National Breweries' Stock Touches New High Level

From Our Own Correspondent.

MONTREAL.—The rise in the shares of the National Breweries to new high level records indicates that investors are at last beginning to realize that as far as can be seen the outlook for the company is entirely satisfactory and its troubles are all well behind it.

Owing to the Beer war of some years ago and the far reaching resulting effects on the company, there has been but little interest in National Breweries shares during the buoyant market of the past two years.

In the meantime, the consumption of beer in the province of Quebec has increased, and with the increased consumption earnings of the company this year have mounted. It is conceded that the annual report for the 1927 year will make extremely satisfactory reading for the shareholders when it ultimately makes its appearance about six months hence. There is every reason to believe that at the end of December next the company's earnings will create new records.

Trust Stresses Value of Chemical Securities

From Our Own Correspondent.

MONTREAL.—According to the current issue of the New England Investor, published by the New England Investment Trust, public utility, rail and chemicals, in the order named, are the three soundest classes of investment.

The current bulletin published for the collateral trustee shareholders of the organization says:

"It will be noted that 37.8 per cent. of the trust funds is concentrated in public utilities, rails and chemicals, in the order named. Experts consider the public utility field as the soundest of all for investment because earnings of public utility companies steadily increase and are practically unaffected by depression.

"Railroads are a close second, and the chemical industry, though often not appreciated by those unfamiliar with it, is one of the most basic of all. Moreover, its future possibilities are unlimited."

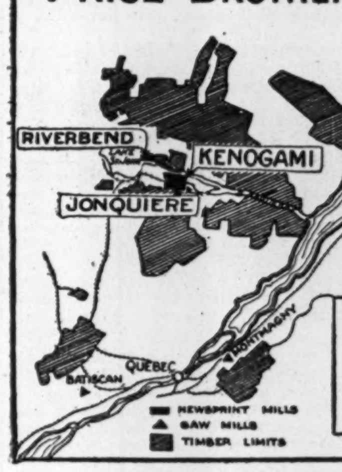
Wabasso Cottons
are Canada's best

WABASSO COTTONS include Sheets, Sheetings, Pillow Cases, Circular Cottons, Madapolams, Cambrics, Nainsooks, Longcloths, Lawns, Voiles, Twills; also a complete colour range in Mulls, Voiles, Check Nainsooks, Lingerie Cloths and Broadcloths in the newest shades.

The new Wabasso Silks are attractive fabrics made from finest Combed Yarns and Celanese. They are as pretty as the Rainbow.

THE WABASSO COTTON COMPANY, LIMITED
Three Rivers, Que.

PRICE BROTHERS & COMPANY LIMITED



NEWSPRINT PAPER AND LUMBER
Head Office
QUEBEC, P.Q.

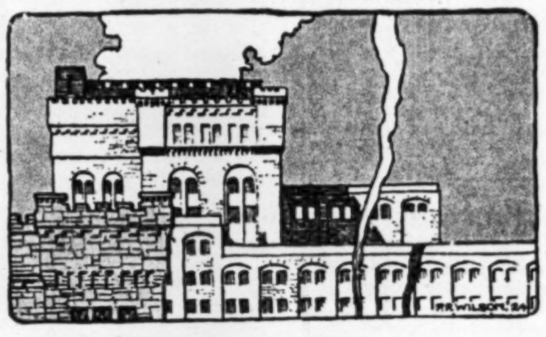
Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

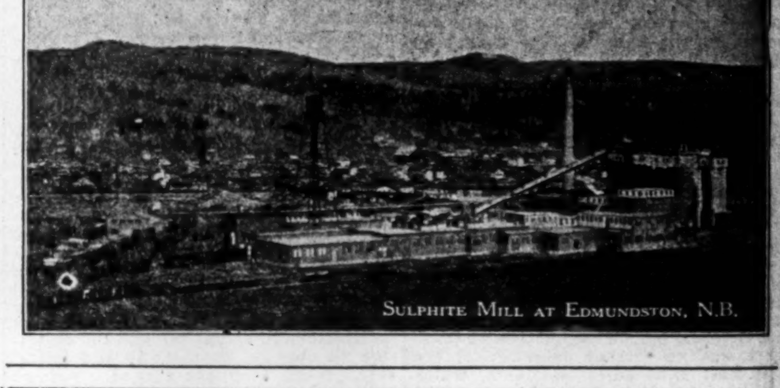
Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper



Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
Lumber :: Bleached Sulphite Pulp :: Fine Papers



Sulphite Mill at Edmundston, N.B.

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We have immediately available the men, the data, and the facilities to design, manufacture and install everything in the field of Fuel Burning and Steam Generating Equipment.

We invite correspondence.

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Power Plant Equipment
MONTREAL, TORONTO, WINNIPEG, VANCOUVER

Abitibi Power & Paper Company
Limited
NEWSPRINT
IROQUOIS FALLS, ONT.

Investment Securities
Newman, Sweezey & Co.
LIMITED
136 St. James Street Montreal

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

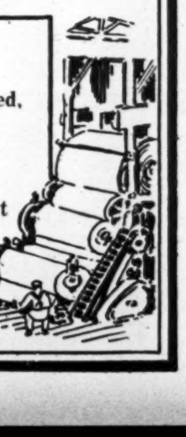
The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

St. Maurice Valley Corporation

Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint



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Pulp and Paper Mills Power Developments

CHAIN STORES BEGIN TO GROW IN NORTHWEST

Red & White Fronts Are Affiliated with Western Grocers

While chain store development has not been as rapid in Western Canada as it has been throughout the Eastern provinces, there is, nevertheless, a noticeable increase in the number of chain stores operating on the prairies and at the Pacific coast. Winnipeg saw the first Western development of chain stores when the Merchants Consolidated Ltd. organization sprang into being about ten years ago, says Canadian Grocer, which goes on to outline developments which are of interest to holders of shares in chain stores and wholesale grocery companies:

Merchants Consolidated Ltd. was organized for the purpose of helping merchants successfully to meet their mail-order competition which was beginning to make considerable inroads into the business of the rural merchants at that time.

This company, in spite of considerable opposition and prejudice, made good progress. In the early days of the company an attempt was made to organize the merchants as a chain to operate similarly to what many are doing to-day. The idea was not taken up with any enthusiasm on account, no doubt, of the fact that it was a little too early to put this new idea into effect.

However, early in 1923, it was decided to extend the company's operations to the City of Winnipeg which, up to that time, had not been covered. A number of grocers were organized as a buying group, taking their supplies through the company. Chain store methods were applied to the operations of this group and considerable progress made. After some months of work along this line, it was decided that a common name for identification and advertising purposes would be an advantage in this movement and in March, 1925, a charter for United Stores Ltd. was obtained from the government.

After testing out this United Store movement in Winnipeg for some months it was extended to the rural sections of Manitoba and Saskatchewan, and to-day there are over 100 United Stores in both city and country.

Red & White is Newest Chain

The latest addition to the chain stores in Winnipeg is the Red & White chain, which is a group of individually-owned but unitedly-operated stores. Inspired by the advantages and economies of mass operation, a large number of independent grocers have joined this new organization recently. There are a great many store fronts in Winnipeg now bearing the Red & White signs, while scores of other stores throughout the prairies and as far west as Vancouver have linked up with the movement, which is sponsored by the Western Grocers Ltd., with head office in Winnipeg and branches throughout the West. The grocers in this chain have retained their own personal supervision and individual ownership but their buying is managed by a committee selected from amongst themselves. Up to the present time this group have not done any daily newspaper advertising, but confine their advertising to handbills which they circulate in their own districts. Their stores are all painted uniformly as to color and design, which makes them stand out prominently from the neighboring stores.

One of the largest grocery chains in Western Canada in point of numbers is the P. & B. with 38 stores, most of them in Winnipeg and its suburbs. This chain grew out of the Patterson & Black business about 1918 and since that time has been steadily adding to its numbers. Patterson & Black were veteran Winnipeg grocers, who had joined forces in 1916. Until the big labor strike in Winnipeg in 1919, this chain had a complete delivery service, but during the strike it was found that business did not materially suffer from the lack of a delivery service, and so it was decided to do away with deliveries once and for all. Since then, business has been done on a strictly cash basis.

The entire supply of this chain is operated from the head office and warehouse, as in the advertising, which is done regularly in the daily papers. Window displays are more or less governed from head office as well in order that uniformity may be secured and the proper lines featured during the proper season. This chain is not individually-owned, but is a joint-stock company.

There are two fairly large chains in Winnipeg operated by wholesale houses, Neal's Stores, eight in number, owned and managed by Neal Bros., wholesale grocers, and Gibson-Gage Ltd. with five stores, owned and operated by the wholesale house of the same name. Both of these organizations run regular advertisements in the daily papers for all of their stores; these ads featuring quality and price, with the store location listed at the bottom of the ads.

SHERIDAN NURSERIES LIMITED
offer
CANADIAN GROWN
Evergreens, Trees, Shrubs, Perennials, Alpines, Vines, Roses
4 St. Thomas St., Toronto 5

BRITISH INDUSTRY WELL REPRESENTED AT NAT. EXHIBITION

Canadian Market Attracts Large Number English Exporters

British industries will be well represented at the Canadian National Exhibition this year. Through the efforts of the Federation of British Industries, which has been actively engaged during the past month or two in preparing and setting up the various exhibits at the Toronto exhibition grounds, forty-seven firms will show their products to the Canadian public and buyers from all parts of the Dominion and the United States.

Since the last Exhibition there have been many factors of improvement in industrial life in Great Britain. Last year, it may be remembered, the section was greatly handicapped by the general commercial trouble caused by the general strike. This year it has begun to benefit from the general clearing of the air which the strike so happily brought about. More and more British firms are able to feel their way clear to approach the Canadian consumer.

British Section Doubled

The British section this year is double its previous size and is nearly four times as big as in its former beginnings in 1923. It covers, furthermore, a very much wider range of goods and products, and it will include among its exhibits many articles which are either entirely new to or have been previously little known by the Canadian public.

A new feature this year is the Catalogue Reference Library, where the catalogues of nearly 10 firms may be referred to and consulted. The Commercial Information Bureau of the Federation has previously been considerably used, but it is thought that the addition of actual catalogues will mean a great increase of its efficiency from the point of view of the Canadian buyer.

Canadians probably have hardly realized as much as the outsider the extent to which the Canadian National Exhibition is developing. Before the War it was a great show and an important show, but of infinitely less commercial importance than it is to-day. As in the case of all other Exhibitions, it has become really great and important only as it has developed internationally. The presence of the British and of other overseas exhibits in increasing numbers at the Exhibition merits the serious attention both of the public and of the man who supplies the public—the trade buyer. Canadians are not accustomed to "trade" exhibitions in the same number and to the same extent as the people in England and in Europe generally; yet, that the trade exhibition is a useful feature of commercial life is proved by their number, efficiency and results.

In commenting upon the importance of British manufacturers in being well represented at the Exhibition, the Federation of British Industries in an official statement says that "the development of the 'trade' side of the Canadian National Exhibition is an index of Canada's growing trade importance, and there is little doubt that in the years to come Toronto will find herself in the position of possessing the greatest 'trade' Exhibition—as it is already the greatest 'public' Exhibition—on the North American continent. When that day comes, the British section will be ten times as large as it is to-day in an Exhibition that has increased proportiontely in all of its commercial exhibits."

NO BETTERMENT IN TOOKE BROS. ANNUAL PROFITS

Some Improvement Seen Though in Balance Sheet Position

From Our Own Correspondent.

MONTREAL.—The annual financial report of Tooke Brothers, Limited, for the fiscal year ending June 30 shows no improvement in earning power and but a minor improvement in the strong liquid position of the company. The balance sheet does present, however, a somewhat improved appearance, due largely to the bookkeeping adjustments made possible through the capital reconstruction plan which was carried out during the past fiscal year. Cash on hand shows a satisfactory increase; bills receivable and inventories are also up, whilst deferred charges have been materially lowered. The last year's bond discount item of $28,000 disappears entirely in this year's balance sheet, and the good will account has been reduced materially from $720,034 to $333,784.

In the liabilities the most significant change is the reduction in the figure at which the common stock is carried on the balance sheet. The 7,525 shares of no par value are carried at $225,750 as against last year's figure of $650,000.

Profit and Loss Account

The following comparison of income account and working capital position figures reveals the results which have been achieved from the operations during the year.

	1926-27	1925-26	1924-25
Net prof.	$112,345	$116,777	$100,824
Deduct:			
Bond int.	20,761	22,298	25,045
Bond dis.	.....	1,750	1,750
Inc. tax res.	4,914	5,755	5,298
Deprec.	16,876	16,927	18,786
Balance	69,794	70,677	49,945
Pfd. divd.	34,475	.....	.....
Balance	35,319	70,677	49,945
Prev. surp.	290,056	219,379	169,434
P. & L. balance	$325,375	$290,056	$219,379

Working Capital Position

	June 30 1927	June 30 1926	June 30 1925
Cur. assets—	$1,165,353	$1,141,021	$1,109,143
Cur. liabs.—	144,483	142,975	184,009
N. work. cap.—	$1,020,870	$998,946	$925,134

Six Months Dividends

While the foregoing figures reveal a surplus of $35,319 after preferred dividends, yet it is to be remembered that the preferred dividend deductions cover only a six months period. The deduction of a full year's preferred dividend from the profits would have left only some $800 applicable to the common stock. However, it is understood that the past few months have witnessed some internal re-organization in the company, and thus the shareholders may rightly anticipate some improvement in the earning power during the current year.

In his remarks to the shareholders, W. A. Tooke, the president, calls attention to the improved balance sheet position. Continuing he says in part:

"Inventories show a slight increase over last year as a result of receiving earlier delivery of fall goods to facilitate prompt delivery of orders on hand.

"Business, generally, has been very unsettled during the past year. However, a marked change for the better has recently taken place, and future business should show a decided improvement over last year."

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

DOMINION TEXTILE CO., LIMITED
PRUE COTTONS
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES
MONTREAL TORONTO WINNIPEG VANCOUVER

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Contracting Engineers and Builders
MONTREAL :: TORONTO

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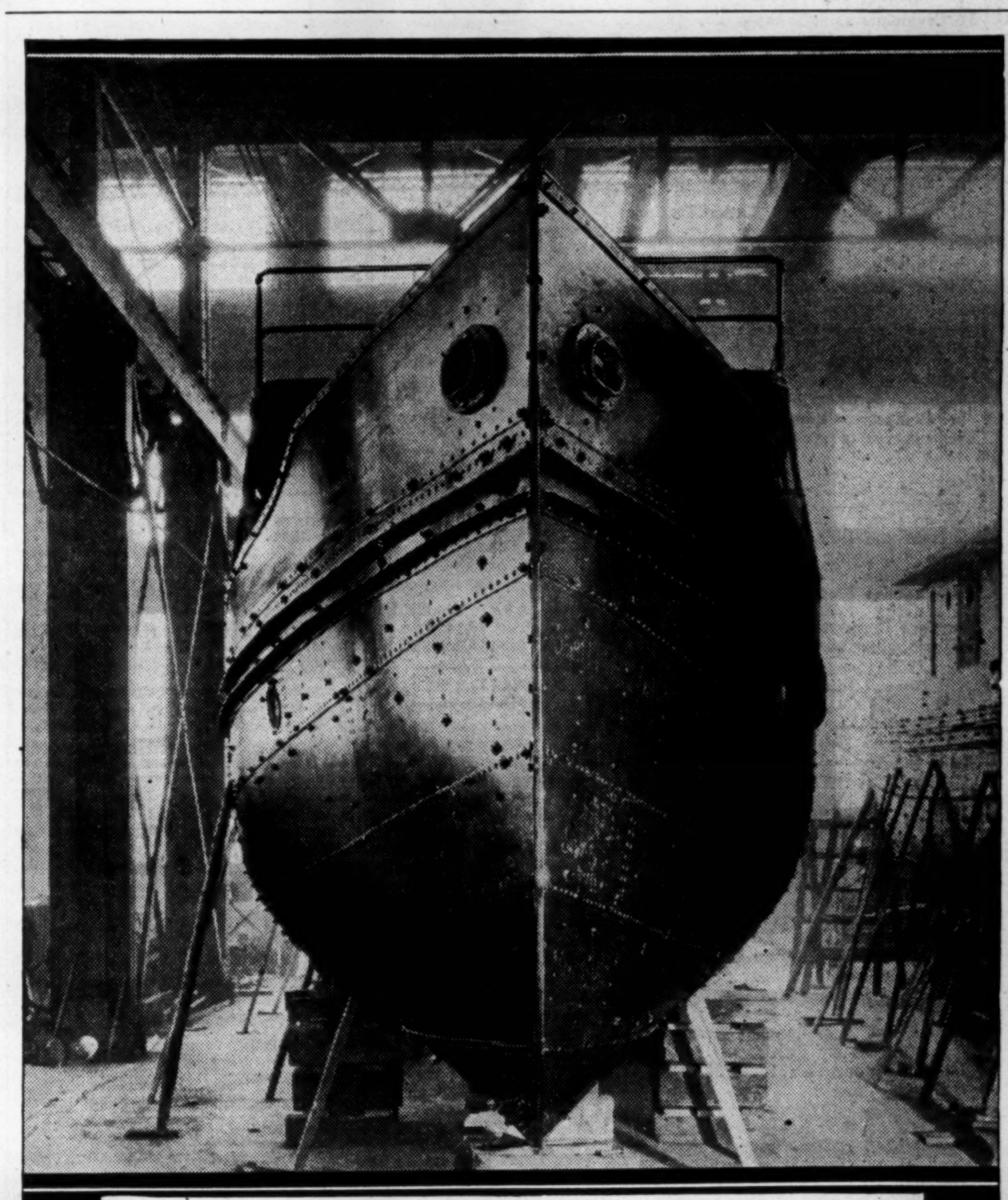
Calgary, Canada
Bond, Insurance, Estates, Farm Lands, Appraisals
We are well informed on the oil situation.



SHOWN above, in the course of construction, is one of three 250 H.P. Deisel Oil Engine tugs built in our own shops for the Canadian International Paper Co.

Each tug is 75 feet long with a 17-foot beam, and the three were shipped knocked-down to the railway station nearest the Gatineau Development scheme.

They were transported 35 miles by tractor and sleigh through the bush, then re-assembled and launched.

Our Consulting Bureau is at your service without obligation. They will gladly discuss and advise regarding any type of Engineering or Boiler-making problem.

The John Inglis COMPANY LIMITED
14 STRACHAN AVENUE, TORONTO, ONT.
405 POWER BUILDING, MONTREAL, P.Q.

Laurentide Company Limited

Annual Report

For the Year Ended June 30th, 1927

To the Shareholders:—

The profits for the year ended June 30th, 1927, were $2,776,067.25. After deducting interest and other charges amounting to $313,351.95, and reserves for taxes, depreciation and depletion, amounting to $715,225.02, there is a net profit of $1,747,490.28.

The mills have operated during the year with a curtailed production, and the contract price for newsprint has been lower.

The Company has acquired full ownership of the Menjobagues Lumber Company, Limited, and purchased the Perthuis Seigniory, thus materially increasing its timber resources.

The Company has also completed a new steam plant for the use of pulverized fuel which is now operating with reduced steam costs.

For the Directors,

GEORGE CHAHOON, JR.,
President

Montreal, August 8th, 1927.

Laurentide Company, Limited

PROFIT AND LOSS ACCOUNT

Year Ended June 30th, 1927

Profits from Newsprint and Cardboard		$2,317,025.31
Miscellaneous Profits		78,348.94
Income from Investments		380,693.00
		$2,776,067.25
Deduct:—		
Interest and Other Charges	$313,351.95	
Taxes, Depreciation and Depletion	715,225.02	
		1,028,576.97
Profits for Year		$1,747,490.28
To Dividends as follows:—		
October 1st, 1926	$432,000.00	
January 2nd, 1927	432,000.00	
April 3rd, 1927	432,000.00	
July 2nd, 1927	432,000.00	
		1,728,000.00
Carried into Surplus—Balance		$19,490.28

BALANCE SHEET AS AT JUNE 30th, 1927

ASSETS

Fixed:—		
Mills, Buildings, Plant and Machinery, Timber Limits and Real Estate	$28,633,288.24	
Less:—		
Reserve for Depreciation and Depletion	4,387,673.45	
	$24,245,614.79	
Investment in The Menjobagues Lumber Company, Limited (fully owned Subsidiary)	1,051,922.08	
		$25,297,536.87
Current:—		
Investments	$4,654,835.72	
Cash on Hand	30,785.68	
Accounts and Bills Receivable	730,611.92	
Logs and Logging Supplies	3,164,829.78	
Mill Supplies	607,526.24	
Miscellaneous Merchandise	91,354.98	
		9,279,944.32
Insurance Premiums Unexpired		76,145.33
Deferred Charges to Operations		124,363.68
		$34,777,990.20

LIABILITIES

Common Stock:—		
Authorized	$35,000,000.00	
Less:—		
Unissued	6,200,000.00	
		$28,800,000.00
Current:—		
Common Stock Dividend due July 2nd	$ 432,000.00	
Accrued Wages	60,836.47	
Bank of Montreal	1,210,754.70	
Accounts Payable	1,219,737.63	
Bills Payable	55,875.00	
Unpaid Dividends	11,334.50	
Reserve for Income Tax	234,625.85	
		3,225,164.15
Contingent and Miscellaneous Reserves		265,371.06
Surplus as at June 30th, 1926	$2,467,964.71	
Surplus for year	19,490.28	
		2,487,454.99
		$34,777,990.20

Indirect Liability for Customers' Paper under Discount, $29,708.99.

Contingent Liability for Guarantee of Bonds of Laurentide Power Company, Limited, $1,510,000.00.

Approved on behalf of the Board,

EDWIN HANSON,
GEO. H. MONTGOMERY } Directors.

AUDITORS' CERTIFICATE

We have examined the books and accounts of Laurentide Company, Limited, for the fiscal year ended June 30th, 1927, and have received all the information and explanations we have required. We certify that, in our opinion, the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of Laurentide Company, Limited, according to the best of our information, the explanations given to us and as shown by the books of the Company.

SHARP, MILNE & COMPANY,
Chartered Accountants.

Montreal, August 6th, 1927.

OLD SAWYER COMPANY SHARES NOT CHANGED

Legal Difficulties Delay Conversion of Stock for That of New Concern

Evidently it will be some time before the shareholders of the old Sawyer-Massey Co. receive any distribution of the equity which they now own in the newly-formed Sawyer company. It will be remembered that when the shareholders of the former company agreed to sell their property to a new organization, they received as consideration 16,500 shares of common stock in the new company, out of 50,000 shares issue.

The reason that is given for the delay is the legal difficulty which has arisen in making an equitable distribution of new shares.

When a plan of reorganization was originally announced by The Financial Post, it was understood that preferred shareholders would receive stock in the new company on a share for share basis. Similarly, common shareholders were expected to receive one share of the new common for every ten shares that they held in the new company.

Brazilian Earnings Show Marked Gain

Brazilian Traction net earnings in July were only $6,044 lower than net earnings in July of 1926. The June decrease, compared with June of 1926, $127,230.

Brazilian has shown decreases in net earnings in the last eight months because the comparison is made before the last slump in the milreis, before the pegging of the country's currency. It is said that, next fall, when 1927 earnings are comparable with earnings of months last year after the currency was pegged, a remarkable increase will be shown which will more than offset the decreases recorded so far this year.

The milreis on the average is about three cents lower in value than a year ago. In milreis the earnings of Brazilian Traction have been showing great increases from month to month.

Public Utility Earnings

NORTHERN MEXICO POWER

	1926	1927	Increase	P.C.
For July—				
Gross	110,269.71	129,628.41	19,358.70	17.55
Net	87,930.56	108,244.88	20,314.32	23.10
For Seven Months—				
Gross	724,694.58	898,216.76	173,522.18	23.94
Net	580,179.67	754,124.82	173,945.15	29.98

CANADIAN WESTERN NATURAL GAS

	Last year	Present year	Inc.
January	$138,443	$199,753	$ 61,310
February	126,850	193,421	66,571
March	111,770	168,005	56,235
April	106,121	141,436	35,315
May	52,898	102,615	49,717
June	37,018	71,993	34,975
	$573,100	$877,223	$304,123

Cape Breton Electric

	June 1927	June 1926
Gross earnings	$47,400.04	$43,995.37
Operating exp. & taxes	39,812.15	41,989.60
Net earnings	$7,687.89	$2,005.77
Interest charges	5,691.31	5,712.60
Balance	$1,896.58	$3,706.83*

*Deficit.

Southern Canada Power

July—	1927	1926	Inc.
Gross earn.	$120,367	$109,865	$10,502
Op. exp.	47,222	40,350	6,872
Net earn.	$73,145	$69,515	$3,630
Ten months—	1927	1926	Inc.
Net earn.	$1,253,417	$1,147,796	$105,621
Op. exp.	428,522	388,522	'40,087
Net earn.	$824,895	$759,361	$65,534

WINNIPEG ELECTRIC COMPANY

	June, 1926 $	June, 1927 $	Inc. $
Total gross earnings	431,328	463,616	32,288
Working expenses	287,984	309,522	21,538
Net earnings	143,344	154,094	10,750
Aggr. gr. earnings Jan to end of June	2,764,424	3,012,100	247,676
Aggr. net earnings Jan. to end of June	999,918	1,090,189	90,271

MONTEREY RLY. LIGHT AND POWER
Three Months to 31st March, 1927

	Gross	*Working Expenses	Surplus
Railway Light and Power	$242,067.75	$246,015.59	†$3,947.84
Waterworks and Sewage	65,598.90	41,479.62	24,119.28
Total	$307,666.65	$287,495.21	$20,171.44

*Including provision for renewals and obsolescence.
†Deficit.

CANADA WESTERN LUMBER EARNINGS
Statement of Lumber Manufactured, Sales and Price Realized, June, 1927

	1926 Feet	1927 Feet	Decrease Feet
Lumber Mfd.	15,116,193	9,701,120	5,415,073
Lumber Sold	16,107,797	14,036,690	2,071,107
Price Realized	$389,894	$315,846	$74,048
Aggregate Manufactured 6 mos.	74,593,796	50,591,010	24,002,786
Aggregate Sold 6 mos.	79,060,266	72,876,660	6,192,606
Price Realized	$1,895,708	$1,592,979	$302,729

Brazilian Traction

July, 1927	1927	1926	Decrease
Gr. earn. from operation	$3,346,083	$3,531,663	$185,580
Op. expenses	1,361,321	1,540,857	179,536
Net earnings	$1,984,762	$1,990,806	$6,044
Aggregate Gr. Earn. from Jan. 1st	$21,767,072	$22,557,609	$790,537
Aggregate Net Earn. from Jan. 1st	$12,595,952	$12,928,726	$333,674

The operating results have been converted from milreis into dollars at the average monthly rates of exchange. They have been approximated as closely as possible, but will be subject to final adjustment when the annual accounts are made up.

Figures are also subject to provision for depreciation and amortization.

Jamaica Public Service Company

Month of	June 1927	June 1926
Gross earnings	$54,705	$52,773
Operating expenses & taxes	31,970	32,486
Net earnings	$22,734	$20,287
Interest charges	6,157	6,272
*Balance	$16,577	$14,015
12 Months Ending	June 30 1927	June 30 1926
Gross earnings	$674,192	$640,569
Operating expenses & taxes	397,436	397,303
Net earnings	$276,756	$243,265
Interest charges	73,938	75,700
*Balance	$202,818	$167,565

*For reserves, retirements and dividends.

The above figures converted from £ Sterling at the rate of $4.86 2/3 to the £1.

Helpful to Canada

As part of its campaign to popularize and increase consumption of Empire goods, the Empire Marketing Board has been extensively advertising Canadian bacon. The above is a reproduction of an advertisement which has appeared in the principal English papers.

Calling Bonds Shows Page-Hersey Earns Well

The calling of 40 per cent. of the $2,000,000 of outstanding first mortgage bonds of Page-Hersey Tubes, Ltd., is an indication of the progress which that company has been making in the last year or two. The Financial Post readers are familiar with the constantly improving investment position of the preferred and common stock which has been on the market since June, 1926.

The bonds were issued at the same time. The redemption of so large part of the original issue within sixteen months is considered to be a somewhat unique achievement. The shares of the company have been stronger than normal since the announcement of the redemption of the bonds at 105. Each share of preferred of this company is convertible into two shares of the common at the option of the holder prior to 1934.

TO LIST NATIONAL GROCERS

Application for the listing of the first preferred stock of National Grocers, Ltd., has been made to the Toronto stock exchange. It is expected that the shares will be called for trading about September 1st.

Dividends Declared

	Rate	Date	Record
McColl Bros. com.	20c.	Sept. 1	Aug. 15
Do., pref.	1¾%	Sept. 1	Aug. 15
Bank of Toronto	3%	Sept. 1	Aug. 15
Royal Bank	3%	Sept. 1	July 30
Bank of Commerce	3%	Sept. 1	Aug. 16
McIntyre Mines	5%	Sept. 1	Aug. 1
Famous Players, pfd.	$2	Sept. 1	July 30
Brazilian Tr., com.	1½%	Sept. 1	July 30
Belding, pref.	1¾%	Sept. 15	Aug. 31
Canada Bread com.	$3	Sept. 1	Aug. 15
Lake of Woods com.	3%	Sept. 1	Aug. 20
Do., pref.	1¾%	Sept. 1	Aug. 20
Bank of Montreal	3%	Sept. 1	July 31
Wayagamack	75c.	Sept. 1	Aug. 15
Page-Hersey, com.	75c.	Oct. 1	Sept. 20
Do., pref.	1¾%	Oct. 1	Sept. 20
Hiram Walkers	50c.	Dec. 15	Nov. 30
Canadian Oil pref.	2%	Oct. 1	Sept. 15
East Koot. pr. pfd.	1¾%	Sept. 15	Aug. 31
Can. Car pref.	1¾%	Oct. 10	Sept. 26
Bk. Can. Nationale	2½%	Sept. 1	Aug. 15
C. P. R. com.	2½%	Oct. 1	Sept. 1
Do., pref.	2%	Oct. 1	Sept. 1
Loblaw com.	25c.	Sept. 1	Aug. 18
Do., pref.	1¾%	Sept. 1	Aug. 18
Can. Fdrys pref.x	1½%	Sept. 1	Aug. 15
Ott. & Hull Pr. pref.	1¾%	Sept. 15	Aug. 31
Crows Nest Coal	1½%	Sept. 1	Aug. 10
Wright-Har.	5c.	Sept. 1	July 30
Imperial Oil	25c+12½c	Sept. 1	Aug. 15
Mont. Cotton com.	1½%	Sept. 15	Aug. 31
Do., pfd.	1¾%	Sept. 15	Aug. 30
Mtl. Loan & Mort.	3%	Sept. 15	Aug. 30
Belgo Paper, Com.	1½%	Oct. 10	Sept. 30
Do., pfd.	1¾%	Oct. 1	Sept. 2
Cosgrave Br.	1¼%	Sept. 15	Aug. 31
International Milling	1¾%	Sept. 1	Aug. 20
Keeley Silver	8%	Sept. 15	Sept. 1
Banque Nationale	2½%	Sept. 1	Aug. 15
Bank of Mtl.	3%	Sept. 1	July 31
Cooksville Brick	1%	Sept. 15	Aug. 31
Lake Shore Mines	10+10%	Sept. 15	Sept. 1
How. Smith Paper, pf.	2%	Oct. 10	Sept. 30

Stock Redemption

Dom. Rad. pfd. Sept. 1, 15,484 shs. at 101.75.
McColl Bros., conv., pref. Sept. 1, at 107.50.

xOn arrears.

Shortage in B.C. Catch May be Offset by Price

Information with regard to the fishing situation in British Columbia is very difficult this year to size up, but from the last authentic report it would appear that the Sockeye pack would approximate that of last year, but that Pinks would be decidedly short, as in southeastern Alaska the Pink pack will not go over 25% of last year and the British Columbia pack in that neighborhood, viz. Naas and Skeena Rivers, will not average any better, but it must be borne in mind that last year was a record year for Pinks.

Fish at all points and of all varieties were exceedingly late in reaching the mouths of the rivers. The Government's policy of closing fishing in relation to the number of licenses issued has this year meant lengthy spells of closed season, in some instances as long as ten days at a time, so that the actual fishing hours have been greatly diminished, allowing a very large escapement to the spawning beds.

It is too early yet to prognosticate what the catch of chums will be, as they run later than the pinks.

Pilchard fishing was also late, but the last report is that the plants of the British Columbia Fishing & Packing Co., Ltd., at Kildona and Quatsino were running to capacity, viz.: eight tons of fish per hour, and as fish meal has advanced $10 per ton, this should largely compensate for any shortage this year which is as yet by no means an assurance.

The mild cured pack is much larger this year.

The demand for salt herring has much improved and at better prices. Substantial orders have been received from China.

No doubt the law of compensation will maintain in this year's business and that any shortage will be made up by better prices. This undoubtedly would be the case if it were not for the tremendous expense everyone has been put to by the large and costly seiners.

From the last reports made to the government the British Columbia Fishing & Packing Company, Ltd., were leading in the catch for this year; the Gosse Packing Company second, and the Canadian Fisheries a close third.

Herbert Tareyton London Cigarettes
"There's something about them you'll like"
20 for 35¢
For your Pipe Herbert Tareyton London SMOKING MIXTURE

Canadian National Railway Earnings

The gross earnings of the Canadian National Railways for the week ended August 14, 1927, were	$4,877,575.00
as compared with	4,682,163.35
for the same week of 1926, an increase of	195,411.65,
or four per cent.	

Canadian Pacific Railway

Week ending Aug. 14, 1927	$3,722,000
Same period, 1926	3,648,000
Increase	74,000

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Clean up your "Pending Files"
THE whole point of doing business by long distance—rather than by correspondence—is that most matters can be closed in one transaction. You get your answer at once.
Try this on your "Pending" Files.
THE BELL TELEPHONE CO. OF CANADA

$415,000 United Telephone Company
First Mortgage Collateral Series "B" 5½% Gold Bonds
Dated April 1, 1927 Due April 1, 1957
Coupon bonds $1,000, $500 and $100 denominations, registerable as to principal. Principal and interest payable at New York and Chicago. Interest payable April 1 and October 1 without deduction for the Federal Income Tax up to but not exceeding 2% per annum. The Company agrees to reimburse the holders of Series "B" bonds, if requested, within 60 days after payment for the Pennsylvania and Connecticut 4 Mills and Maryland 4½ Mills Taxes and for the Massachusetts Income Tax on the interest not exceeding 6% of such interest per annum.
Series "B" bonds are redeemable at any time up to April 1, 1937, on 30 days' notice at 103 and interest; thereafter and up to April 1, 1947, at 102 and interest, and after April 1, 1947, to maturity at 101 and interest.
THE NATIONAL BANK OF THE REPUBLIC OF CHICAGO, TRUSTEE
The information regarding the First Mortgage Collateral Series "B" 5½% Gold Bonds, and the properties and business of the Company is set forth in the accompanying letter from Mr. J. G. Wray, President, and is summarized by him as follows:
CAPITALIZATION
(Upon completion of present financing)
FUNDED DEBT:
First Mortgage Collateral Gold Bonds—
Series "A" 6%, due 1947 .... $1,400,000
Series "B" 5½%, due 1957 1,165,000
Gold Notes 5%, due August 15, 1927 550,000
CAPITAL STOCK:
First Preferred without par value (authorized 30,000 shares, outstanding 5,750 shares)
$7 Dividend Series, Liquidation Value $575,000
Participating Preferred, without par value (authorized 20,000 shares, outstanding 2,750 shares)
$7 Dividend Series, Liquidation Value 275,000
Common without par value (authorized 35,000 shares) .... 24,186 shs.
We offer these bonds when, as and if issued and received by us, and subject to the approval of our counsel and approval of the various State Commissions as to issuance of subsidiaries' securities. Company Interims are deliverable pending issuance of temporary or permanent bonds.
Price 95 and Accrued Interest Yielding About 5.85%
TORONTO SECURITIES COMPANY
65 Adelaide St. East, TORONTO, CANADA
Phones: MAIN 1721-1722-1723-1724
All the information given herein is from official sources, or from sources which we regard as reliable, but in no event are the statements herein contained to be regarded as representations by us.

Real Investment Trust Should Keep All Sales Profit in Reserve Fund

Distribution of Other Than Dividends Detracts from Safety—Listing of Stock Also is in Interest of Investor

By PETER WATSON.

Being in reply to the semi-professional comments that were made on the article which appeared in The Financial Post of August 12.

In The Financial Post of August 12 there appeared an article by the writer entitled "Investment Trust Should Give Security of Income Primarily." This article was followed in the issue of August 19 by a letter of comment by "an Englishman interested in Investment Trusts," whose name was not given.

In the writer's first article it was set forth that the real advantages in the Investment Trust form of organization lay in the added protection given by diversification and watchful management to principal, interest and dividends. That is really axiomatic and not properly a subject of dispute between any conflicting views on investment trusts.

Should be Reserve

The axiom, however, seems to have a logical corollary which is certainly being overlooked, but which has more practical value as an investment principle than the axiom itself. This corollary is that the profits realized by the management of investment trusts should be used primarily as an added source of protection to principal, interest and dividends, and not distributed as earnings.

It does not seem possible to anyone trained in orthodox principles of finance that any other view would be held, or policy suggested. But to find conviction that this fundamental principle is not maintained one has only to read the advertisements of any number of the new trusts now appearing in the United States and Canada, from which the great body of investors are gathering the impressions In point of fact the corporation which claims the honor of being the pioneer trust on this continent features the policy of treating profits on the sale of securities as part of its income. This is a distinct departure from the standardized "British" type of trust upon which this corporation is commonly supposed to be modeled, and is a point upon which Dr. Robinson, who was quoted by the commentator last week, says: "(British) Investment Trusts never distribute as dividends any profits realized on the sale of their investments. These profits go into a reserve account, or are immediately used to write off depreciated securities."

Can All Be Safe

The opinion is growing, and it is an entirely unreasoned and dangerous one, that investment trust operation makes possible not only safety, but a high return and speculative profits as well. More than that the impression seems to be held by many who advise about investments that there is some new quality inherent to the investment trust idea which is going to upset the age old law that yield is proportionate to risk, and that appreciation in value must be compensated by risk of principal or small income return.

The correction of such opinion or impression can easily be made by reference to the history of investment trusts in Great Britain. This was referred to in both the issues of August 12 and 19. There are in the United States certain investment trusts which may be endorsed as complying with all the dictates of sound practice, and it is no doubt with these in mind that the correspondent wrote. It nevertheless remains the best policy to look to Great Britain for our models because they are generations old, and even the best organizations on this side of the water still have to prove themselves immune—from the investment point of view—to falling prices and depression conditions. As our correspondent himself points out, the British trusts did abundantly prove themselves during the war, and in the difficulties of the coal strike and the general strike preceding it. If they did so it is because, in our opinion, the attitude of both investors and trust managers made possible an attitude of conservative administration designed to protect principal, interest and dividends by the presence of reserves and—if you like—by being in a position to offset a loss in one quarter by a profit in another.

But there is no ill conceived notion in Great Britain that the words "Investment Trust" are an open sesame to profit in every land, although many of the trusts are in their investments international.

So far the writer and his critic are, it would appear, in complete agreement. In fact the latter's letter of August 19, contains the following strong statement in answering the question "Can the trust operate successfully in a bear market?"

Conservatism is Needed

"An investment trust may buy, at somewhere near their low records, securities that have previously been approved for purchase when and if circumstances drive them down to a calculated price. And such securities must be bought all over the world in countries of national stability. For this purpose an elaborate and expensive economic statistical and analytical organization is a 'sine qua non' to a sound investment trust, and it is an essential that many trusts formed recently so signally lack, and that some of them now under consideration in Canada are apt to lack."

Now this is out-Heroding Herod. An efficient statistical department? Yes. International connections? By all means if possible. But what still makes possible the success of investment trust practice, if international connections, or an international viewpoint are not available? And what still provides the only safeguard against mistake or perhaps disaster? Simply attitude of conservatism in distributing what, as a short cut, might be called unearned increment.

No matter how much certain leading trusts may adhere to that policy the fact remains, in the writer's mind, that wide encouragement is being given to the opposing view. There is a danger that a wrong conception may grow up of what an investment trust can offer. And on that conception proving ill-founded a reaction of public feeling may set in towards a financial organization which, in its pure state, is thoroughly sound and profitable. By so doing depriving of its benefits those who stand in greatest need of them.

Why Not Listing

The professional has long recognized the possible danger of the seeds of such a reaction taking root, and the action of the attorney general of New York state in setting in motion the machinery for a general inquiry into the nature and methods of American investment trusts has been widely commended by responsible leaders of public and professional opinion.

Now as regards the matter of listing the securities of investment trusts on this continent. It is without doubt true, as your correspondent remarks, that many trusts in the United States have not applied to the committee of the New York stock exchange for this privilege. It is also a fact that other organizations, having possibly less foresight, have made tentative applications which have subsequently been allowed to drop.

Listing on a stock exchange means a publication of all sales. This in turn suggests a freedom of trading not possible in over-the-counter transactions.

Now a very great attraction to the dealer in securities which many of the new investment trusts offer is the fact that he has always something to sell. It fills in the gaps between his profitable new issues and provides a nice commission at all times, since as soon as one block is disposed of another one comes along. In point of fact the trust which our critic seems most to favor, since it is twice quoted in his letter—the International Securities Corporation of America—has, according to Barrons, the well known financial weekly, an arrangement with its fiscal agent, the American Founders Trust, whereby the latter stands all the expenses of selling the trust's securities, and also maintains for it a statistical organization in exchange for the privilege of receiving options to purchase stock at low price over a long period of years. The same authority gives these options, on June 1, last year, as totaling 125,251 common shares at $11 1-9 per share, presumably the same as are to-day quoted to the public at 56 bid and 60 offered. Since there were at that time only 48,393 shares of common outstanding the possible future profits of the fiscal agent during the continuance of rising prices are manifest.

It can readily be seen that the prime object of the fiscal agent of such a trust would be to sell as much stock as possible. Thus there would always be a preponderance of offerings. In other words a weak market. To protect his stock the agent must, therefore, be prepared to buy in whatever offers at around the price at which he sold, which, of course, costs money since this must eventually be resold by him. Thus, with the investment trust merely a convenient peg upon which the fiscal agents sales force may hang its hat, it follows that if there is a market at all for the stock it can never be a free one.

Then again, listing committees demand the submission of date, and publication of figures, which might not be convenient for the sales policy of some fiscal agents. The authority quoted above, referring to the same investment trust says: "Sales resistance would result from detailed publication of income statements, disclosure of market values or publication of a detailed list of securities held, in the judgment of the sales department responsible for the rapid growth of the international."

This may well be a correct opinion, and doubtless is one to which full consideration has been given by the many trusts and their agents now operating on this continent, since less than 50 of them are quoted in the "Over-the-counter" quotations of the New York Times

Nevertheless, until the investment trusts on this continent reach the position of their forbears in Great Britain and enjoy a free market—there are more than three hundred financial trusts listed on the London Stock Exchange—they can never attain that high regard of the investing public which should be the due of a properly conducted trust. Principles of management and distribution practised by the British trusts will bring equivalent results if put into force on this side of the Atlantic; and these do not permit the payment of the high dealer-commissions which, one is sometimes tempted to think, go no small way towards providing that rosy glow of optimism with which easy money and a four-year bull market have surrounded the investment trust in North America.

Shawinigan Has Purchased Another Power Company

From Our Own Correspondent.

MONTREAL.—Through its subsidiary, the Beauharnois Electric Company, the Shawinigin Water & Power Company has purchased the Valleyfield Electric Company from Montreal Cottons, Limited. The sum involved in the transaction has not been made public.

The Valleyfield Electric is a distributing system, through which Montreal Cottons has been supplying the municipality of Valleyfield and immediately adjacent municipalities with power from the textile company's own plant. The system has now become a part of the Beauharnois Electric, which derives its power from the plant of the Canadian Light & Power Company, another Shawinigan subsidiary.

Through the deal, Shawinigan at once secures 6,000 more customers, and consolidates its position materially in those easterly sections of the province lying to the south of the River St. Lawrence. Valleyfield and the surrounding district is now an industrial centre of some importance. It is thought that the increased supply of power now available may tend to increase industrial activity in this area.

Shawinigan and Montreal Power Sell at Same Level

MONTREAL.—The common shares of the Shawinigan Water & Power Company once again are selling at about the level of Montreal "Power." The recent reaction in these shares was perhaps due to the circulation of more or less bearish rumors.

As ever, the low yield of the shares is, of course, attributable to the possibility, or rather probability, of an ultimate further distribution to the shareholders. It is again being said that the time is drawing nigh when Shawinigan will issue new stock at $50 a share involving valuable rights to the present shareholders.

There are two schools of thought on the relative value of Montreal "Power" and Shawinigan shares. One group feels that as Montreal is the metropolis of Canada, and because of its strategic position on the St. Lawrence River, the city will progress more rapidly than the rest of the province of Quebec. And with the progress of the city of Montreal earnings of the Montreal Light, Heat & Power Consolidated will also increase.

Another school of thought regards Shawinigan shares just as favorably as Montreal "Power," and points to the increasing industrial development of the province of Quebec, in which Shawinigan undoubtedly serves the most important territories and those which are most likely to make industrial progress. At the moment, both stocks seem equally attractive for the long hold, and only time can tell which company will offer the larger reward to those shareholders who are willing to wait.

Ashdowns Buy Hardware Dept. of Revillon Wholesale

The hardware section and goodwill of Revillon Wholesale, Limited, with head office in Edmonton, Alberta, and including hardware branches at Calgary, Grande Prairie and Peace River, has been purchased by J. H. Ashdown Hardware Co. Ltd., of Winnipeg, Man., in a deal involving approximately $350,000, Hardware and Metal will announce this week.

J. H. Ashdown Hardware Co., with head office in Winnipeg, is already conducting branches in Edmonton, Calgary and Saskatoon.

Charles Gurd Common is on $2 Dividend Basis

From Our Own Correspondent.

MONTREAL.—Charles Gurd and Company has declared an initial quarterly dividend disbursement on the preferred shares, and in addition the directors have declared a 50c. dividend on the common stock, thus placing the junior security on a $2 annual dividend basis.

In a letter to the shareholders announcing the dividend the management says in part:

"Your directors are pleased to report the company as showing gratifying progress. Each month of 1927 has shown an increase over the corresponding month of the previous year. July, of this year, was the biggest month in the history of the business."

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CANADA	Wk. ending Aug. 19, '26	Wk. ending Aug. 18, '27
St. John	$ 2,483,417	$ 2,500,414
Halifax	2,938,930	2,592,913
Moncton	767,716	701,420
Sherbrooke	1,026,094	913,414
Quebec	5,335,038	6,745,959
Montreal	111,006,619	113,250,605
Ottawa	6,797,877	6,898,163
Kingston	795,783	850,256
Peterboro'	735,919	738,183
Toronto	95,030,650	101,988,890
Hamilton	4,855,067	5,206,198
Brantford	1,021,501	1,022,044
Sarnia	....	720,838
London	2,597,453	3,156,344
Kitchener	937,388	1,054,953
Windsor	3,970,092	4,691,301
Chatham	....	823,601
WESTERN CANADA		
Fort William	745,518	1,055,900
Winnipeg	39,046,184	42,869,325
Brandon	689,469	664,006
Regina	4,555,241	4,354,441
Saskatoon	2,057,420	2,436,064
Moose Jaw	1,153,852	1,249,359
Prince Albert	369,534	392,029
Lethbridge	506,820	575,206
Calgary	6,575,211	6,998,650
Edmonton	4,661,616	5,609,906
Medicine Hat	248,342	282,803
Vancouver	17,642,744	17,591,387
Victoria	2,270,811	2,129,300
New Westminster	750,002	819,879

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Commonwealth of Australia

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Dated September 1, 1927. Due September 1, 1957.

Interest Payable March 1 and September 1.

NOT REDEEMABLE PRIOR TO SEPTEMBER 1, 1947.

Redeemable, at the option of the Commonwealth, as a whole or in part, upon 60 days' notice, on any interest payment date, as follows: On or after September 1, 1947, and prior to September 1, 1952, at 102% and accrued interest; on or after September 1, 1952, at 100% and accrued interest.

Coupon Bonds in Denomination of $1,000.

Principal and interest payable in New York City, either at the office of J. P. Morgan & Co., or at the National City Bank of New York, in gold coin of the United States of America of the present standard of weight and fineness, without deduction for any Australian taxes, present or future.

The following statement has been made on behalf of the Commonwealth of Australia by its Commissioner in the United States of America, Sir Hugh R. Denison, K.B.E.:

GENERAL The Commonwealth of Australia is an integral part of the British Empire and comparable in importance with the Dominion of Canada. Loans of the Commonwealth issued in London enjoy the highest credit and constitute a legal investment for trustees in Great Britain.

PURPOSE OF ISSUE This loan is issued by the Commonwealth of Australia as a central borrower on behalf of itself and the States of Australia. The proceeds of the loan will be used for development and productive public works and for the payment of maturing debt.

SINKING FUND The Commonwealth has established a sinking fund for its public debt under the Nationad Debt Sinking Fund Acts, which provide that, during a fifty-year period beginning in 1923, payments from revenue to the sinking fund must be made at the rate of not less than ½% per annum of the amount of the Commonwealth loans outstanding in 1923 and loans subsequently issued, except those raised for the purpose of making local advances which are to be repaid to the Commonwealth and credited to the sinking fund. All German reparations received by the Commonwealth and one-half of the net profits of the Commonwealth Bank of Australia must also be paid into the sinking fund. Bonds acquired for the sinking fund must be cancelled and sums equal to interest at 5% per annum on such bonds must be paid from revenue into the sinking fund (except as to bonds repurchased or redeemed out of repaid advances, out of German reparations and out of surplus revenue paid into the sinking fund). The sinking fund is under the administration of a National Debt Commission, which applies the sinking fund moneys to the retirement of Commonwealth debt by the repurchase of loans in the open markets, by the redemption of loans prior to maturity, or by the payment thereof at maturity.

In addition to the mandatory payments into the sinking fund, the Treasurer of the Commonwealth has authority to apply surplus revenue to redemption of debt, and in the four years ended June 30, 1927, $36,088,772 of surplus revenue has been so applied. The total amount applied from all sources to debt redemption in the same period of four years was $126,808,454, equivalent to an average annual rate of redemption of about 1½%.

GOVERNMENT DEBT The total gross debt of the Commonwealth as of June 30, 1927, amounted to $2,243,786,167, debt consisting of $402,196,472 external debt in the hands of the public; $416,440,265 debt to the British Government (to be amortized by 1956 under a funding agreement of 1921); and $1,425,149,430 internal debt.

At a recent conference of Premiers, an agreement was entered into for adjusting the financial relationships between the Commonwealth and the States of Australia. This agreement will operate for two years, before the end of which period the people will be asked by referendum to embody the terms of the agreement permanently in the Federal Constitution. The agreement contemplates that the Commonwealth shall take over the debts of the States, the Commonwealth to apply for a period of fifty-eight years from July 1, 1927, towards the interest on these debts, a sum equal to the total of the per capita peyments made by the Commonwealth to the States in the year ended June 30, 1927, and the States to provide the balance of the interest. There is a further provision that the Commonwealth and the States, out of their respective revenues, shall make annual contributions to a sinking fund, designed to extinguish the present debts of the States in a period of between fifty and sixty years from the present time and all future loans within a similar period from the time of their issuance. All future borrowing for the purposes of the Commonwealth and the States is to be arranged by the Commonwealth, in accordance with decisions of the Loan Council, which is representative of the Commonwealth and of the States. In respect of such borrowing, Commonwealth securities are to be issued, except where the Loan Council unanimously decides that the securities of a State may be issued, in which case the State securities so issued are to be guaranteed by the Commonwealth.

REVENUES AND EXPENDITURES The ordinary revenues of the Commonwealth in the fiscal year ended June 30, 1927, amounted to $380,405,716, and its ordinary expenditures to $367,392,466, resulting in a surplus of $13,013,250. The expenditures include $16,110,188 applied from revenue to the redemption of debt.

MONETARY SYSTEM The monetary unit of Australia is the pound sterling, the gold standard having been restored on April 28, 1925, coincidentally with similar action in Great Britain. The Commonwealth Bank of Australia has the sole power of note-issue and holds a gold reserve of over 45% against its outstanding notes.

All figures stated in dollars in the above statement have been converted from pounds sterling at par of exchange.

THE ABOVE BONDS ARE OFFERED FOR SUBSCRIPTION, SUBJECT TO ISSUE AND DELIVERY TO US AS PLANNED, AT 98% AND ACCRUED INTEREST, TO YIELD OVER 5⅛% TO MATURITY.

Subscription books will be opened at the office of J. P. Morgan & Co. at 10 o'clock a.m. Wednesday, August 24, 1927, and will be closed in their discretion. The right is reserved to reject any and all applications, and also, in any case, to award a smaller amount than applied for. The amounts due on allotments will be payable at the office of J. P. Morgan & Co., in New York funds, the date of payment (on or about September 7, 1927, to be stated in the notices of allotment. Temporary bonds or interim receipts will be delivered, pending the preparation and delivery of definite bonds.

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New York, August 24, 1927.

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TORONTO, AUGUST 26, 1927

PROOF OF IMPROVEMENT

NINE thousand, five hundred and thirteen fewer persons left Canada for the United States in the year ended June 30, 1927, than in the year ended June 30, 1926. This is encouraging. It shows definitely that more Canadians are finding more opportunities at home. And it is hoped that not all Canadians who returned from the United States in those twelve months returned because they were failures in the United States.

There was an American immigration, largely in the Prairie Provinces, offsetting in some degree the Canadian emigration to the number of 81,506 in the year ended June 30, 1927. But Canada will not be a wholly successful nation until emigration, particularly of skilled labor and professional workers, has been reduced to a negligible annual total.

Sound government and internal development will keep Canadians at home and attract immigrants who will become good Canadians.

BUILDING POWER REVENUES

SOMEWHAT over half of the homes in Canada are wired for electricity. There are. roughly, 1,800,000 houses in Canada and slightly over 1,000,000 domestic consumers of electric current. Most of the unwired homes are on farms. Farm areas are now slowly being blanketed by electrical service. As the proportion of wired homes increases, the revenues of the electrical industry will grow.

The revenues of the electrical industry in Canada will increase also as larger blocks of electrical power are required to turn the wheels of new industries.

In a third direction the electrical industry is moving forward very rapidly; that is in the increase in the consumption of electricity in the average home, chiefly through the installation of new labor saving devices, such as toasters, irons, washers, ironing machines, heaters, refrigerators, etc.

For investors in the shares of Canada's electric light companies this is probably the most interesting of the three certain avenues of expansion, and the one that seems to offer the greatest promise for sure and steady growth in the annual revenues of the companies.

Satisfactory statistics are not available to indicate the amount of electrical energy used in the average Canadian home. We estimate from various official reports that the average lighting bill in Canada including all appliances operating off the lighting circuit—is $36.50 a year. This may be higher than the average for the ordinary Canadian home because the figures used in the compilation include stores some warehouses and factories, etc. In the United States the average bill is figured at $29.24 a year and Canada's actual bill can hardly be higher, for although across the line appliances may be used more freely, rates are certainly lower in Canada because of our more plentiful use of water rather than steam power in the generation of electricity.

Accepting either figure it is apparent that the average family pays not more than ten cents a day for electric current. This is the price of one cigar for the head of the household. It is one-tenth the cost of maintaining even a small automobile; it is a third of the average man's bill for tobacco. It would not buy a two-pound box of candy once a week. Electricity the greatest of household servants, works for a meagre wage and is satisfied.

Only a small proportion of homes have a full complement of electrically operated devices for reducing household labor to the minimum. Again Canadian figures are not available. But American figures show that only 37 per cent. of wired homes have a vacuum cleaner; 26 per cent. an electric toaster; 26 per cent. an electric washing machine; less than 3 per cent. an electric range or a refrigerator; little over 1½ per cent. electric ironing apparatus. These figures undoubtedly will increase from year to year. Nothing like 100 per cent. coverage will ever be attained, nor is it necessary that it should. There will always be people who cannot afford a full range of apparatus; there will always be those who prefer the good old way of doing things. And the influence of the gas which continues to forge ahead year by year, despite the popular superstition that it is being replaced by electricity, is to be reckoned with.

It is estimated that the average home now uses only about 400 kilowatt hours of electrical energy in a year. A rough check-up on Canadian rates and revenues seems to indicate that this figure applies in Canada as well as across the line. An American authority estimates the possible annual consumption of the residential customer at 5,754 kilowatt hours.

It is the constant urge to achieve this latter figure and the steady movement towards that achievement that is one of the important propulsive forces in the electrical industry, a force insuring steady and steadily increasing returns for investors in the sound Canadian companies.

SELF-HELP, AT LEAST

STATESMEN to the south who believe that vote-getting is the principal purpose of economics, will not admit that government purchases of cotton to increase the price of that commodity fifteen or twenty cents the pound, will increase the acreage devoted to the growing of cotton.

Practical farmers, as well as bankers and economists, and politicians who do not need to reckon with the farm vote, can see the potential evil of government activities which seek to increase the prices of world-crops. But practical farmers in the United States are prone to permit impractical farmers and politicians to run the agrarian institutions which since 1920 have been clamoring for legislation to lift the mortgages and lien notes from land and plow. It is improbable that any real progress will be made toward improving the lot of the Middle Western states until the residents thereof reject the unsound doctrines of their professed benefactors. Offering to help the cotton planters with legislators is just a political dodge on the part of the Middle West.

The foregoing is cited because in the same longitudes north of the 49th parallel, Canada sees an effort on the part of farmers which is in marked contrast. The Canadian farmer associations are making efforts to help themselves. The Canadian wheat pool is a pretentious effort at self-help. As such, it can be defended and commended. It is not defensible in some of its aspects and some men high in its counsels may be ranting radicals with plans and theories which are impracticable and unsound and even pernicious.

The independent grain trade is impatient with pool policies which are aimed at elimination of legitimate and essential functions of the grain exchange and the correlated activities. But the ordinary taxpayer is relieved because Ottawa is not being implored to help in ways that render help abortive. And the grain trade, it can be assumed, will be able to justify its existence, especially if, as seems likely. the sane thought will prevail in vital questions of pool management.

FOOD FOR THOUGHT

IT COST $300.000 to compete for the $35,000 in prizes offered for the Honolulu airplane flight. Seven human beings are missing in the Pacific. Experts say that the spectacular event has contributed nothing to the science of aeronautics.

Those who offer and those who compete for prizes may well ponder.

SAYING IT BY PHONE

SOMEONE who signs himself "Merchant," writes to the editor of the London Times as follows:

> Some months ago the postmaster-general, without leave or payment, defaced our envelopes with a stamp exhorting the public to "Say it by telephone." So responsive have my correspondents become that I have been notified that, unless I have a second line installed—which I do not want—my present line will be cut off. To enforce such an extra payment upon me, for custom brought in response to his bidding, savors of simple extortion.
>
> The telephone is a convenience in my business for my own use, but the number of calls to me have so increased that they are at times a nuisance, so much so that I am considering the advisability, in self-defence, of stamping my envelopes "Avoid using the telephone." I have already instructed my office staff to use the telephone as little as possible, and by this means I hope the work of the telephone exchange will be lightened, which is what, I have been officially informed, is required. As I have no doubt that other of your readers have been similarly mulcted, I hope the matter may be brought before parliament.

The telephone system in Great Britain, it will be recalled, is operated by the general postoffice. The postoffice evidently sees in the stamp cancelling machine an opportunity to advertise the telephone branch of the department. That is good business. But one wonders if the telephone branch of the department was assessed for the advertising obtained through the mails. There would have been a proper allocation of costs if one corporation had been operating these two branches of the public service.

One recalls the telephone service in Great Britain as distinctly inferior to service in urban and suburban communities on this continent. If there has not been a recent improvement, one could hardly blame this "merchant" for avoiding the use of the telephone as much as possible. On the other hand, if the service is passable, can one comprehend the attitude of a merchant who declines to put in a second "line" if the telephone company can convince him that a second line is needed?

Occasionally, in this country, one hears that utility corporations, operating what are natural monopolies, are inclined to be somewhat arbitrary in their relations with the public. But none, so far as we have observed, ever has been quite so arbitrary as to threaten to discontinue selling any service if the customer does not agree to buy double the amount of service he has been accustomed to buying.

JOBLESS AT FORTY

MEN and women have held a meeting in a Brooklyn Y.M.C.A. to protest against the policy of many business institutions which prevents the employment of jobless persons 40 or more years old.

There are some men useless at 30. They are not failures because they were never starters. But at 50 men in reasonably good health should have an average of twenty years of usefulness ahead of them and employers should have no hesitation in hiring them. At 40 the working woman is often a real find for the employer who has been harassed by secretarial propensity to paint and get married.

Rules which prevent a workless forty-year-old from getting a new job are not sensible rules. In fact, it may be worth while recalling, in this connection, the philosophy that rules are made for persons who are ignorant.

AN AMERICAN TRIBUTE

A GROUP of American state and municipal administrators were visiting a large Canadian city. The visitors hailed from the cities of a great state which Canadians are wont to admire for its material achievements.

They were inspecting a municipal waterfront development.

There was no talk of America or of things American. The visitors were plainly surprised at the things Canadian which they saw. Again and again were heard these words: "They do things over here."

How many Canadians realize that "we do things over here?" This tribute from our American visitors was both sincere and unsolicited, yet a great many Canadians are ignorant of the fact that it was deserved. Canadians continually point to the far-away pastures of our neighbors, but overlook the fact that there are green fields of achievement throughout our own Dominion. A proper appreciation of achievements on the part of Canadian citizenship will do much to create a national confidence which is needed.

BUSES AND SLOWPOKES

ONE of the prominent Ontario newspapers is reading the Ontario minister of highways' daily lectures about traffic accidents. So far as we have observed, the minister is blamed for the existence of the egoism which afflicts so many motor drivers and which causes them to abandon all ordinary precautions.

Here are one or two suggestions which, we believe, are constructive:

Regulate bus operation: until such time as buses are operated on private rights of way (why not?) compel companies operating bus lines to maintain at their designated stops "side tracks" on which the cumbersome vehicles will come to rest without delaying or endangering other traffic.

Use the motor-cycle policeman for facilitating traffic. He might endeavor to learn why motor cars travel in flocks of from five to fifty. Nine times out of ten, it will be found that some blithe suburbanite is taking the air at seventeen miles an hour and is willing to let the rest of the world go by—when it gets a chance. Observation indicates that the greatest highway risks come when passing slowpokes. There is at least as much danger indirectly from motorists who persist in traveling at fifteen miles under the limit, as from motorists who travel at fifteen miles above the legal limit.

EDITORIAL NOTES

A NEW YORK preacher calls prohibition a modern miracle. Are there many believers in modern miracles?

• • •

SACCO AND VANZETTI are as dead now as they would have been six years ago if they had been convicted in Canada or Britain.

• • •

THE TORONTO MAIL AND EMPIRE suggests street cars for Fleet Street, Toronto waterfront roadway. But would not a metropolitan bus line serve the public better without delaying automobile traffic?

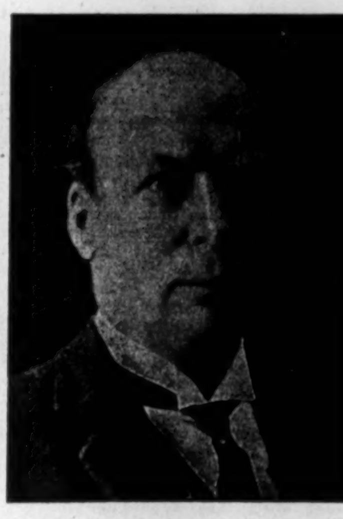
• • •

IT IS OUR guess that many Americans who read Albert Hickman's new short story, "Fish," in the July "Golden Book Magazine," will decide to visit Prince Edward Island to see if they cannot sample the trout so temptingly mentioned in that yarn. And a few of them may even become violently ill and require prescriptions.

Is Lawyer in Manitoba, Farmer in Saskatchewan

George W. Allan, K.C., is One of Canada's Outstanding Citizens, with Wide Variety of Interests

By G. C. PORTER.



GEORGE W. ALLAN, K.C.

WINNIPEG. — George W. Allan, K.C., has just returned from the directors' meeting of the Hudson's Bay Co. in London. He is chairman of the Canadian advisory board of that corporation. Mr. Allan observed that the directors and managers present were very well satisfied with the business outlook in the Dominion. The trade prospects are satisfactory. He has occupied the responsible position of chairman of the advisory board with headquarters at Winnipeg for some years.

George W. Allan is head of probably one of the largest law firms in western Canada and incidentally on the directorate or board of three score big Canadian British and international organizations. These are chiefly banking organizations, trust companies and mercantile corporations with wide connections in the Dominion and the old country.

Once in Parliament

While "Who's Who" devotes a full column to Mr. Allan's business connections, when asked about his activities he remarked, "I always say I practice law in Manitoba and farm in Saskatchewan, with the result that my friends in Manitoba say I'm a good farmer and my friends in Saskatchewan assert that I'm a good lawyer, and I recognize the fact that my friends in both provinces are stretching themselves on generous lines."

Is a Good Speaker

And this modesty is typical of the man. In 1917 he was the unanimous choice of Winnipeg as representative of the Union government in Parliament. His multiplicity of business responsibilities were such as to make it exceedingly difficult for him to comply but he accepted.

His ability as a graceful platform speaker forces him to put in much time in that direction. It was Mr. Allan who presented to the Prince of Wales in Winnipeg last week the tribute of the Hudson's Bay Co. of "two beaver pelts and one moose head."

This is one of the historical features of the Hudson Bay Company's charter, requiring the delivery to any representative of the reigning family of the empire on their entry into the country previously controlled by the company of these examples of the fur industry of the northwest.

Plays Golf With Teagle, Yet Fights Standard Oil Co.

Sir Henri Deterding, Head of Royal Dutch-Shell, Described as Napoleonic and Cromwellian

Sir Henri Deterding, head of the Royal Dutch-Shell group which is in a rough-and-tumble fight with Standard Oil interests for the purchase of Russian Oil, was knighted for his efforts in behalf of the Allies during the war, although he is a native of Holland and is still considered a Netherlander in that country. His placing of enormous oil supplies at the disposal of the British navy and his forceful qualities caused Lord Fisher to say of him that he was "Napoleonic in his audacity and Cromwellian in his thoroughness."

Something of Sir Henri's career and character are told by a London correspondent of the Wall Street Journal, who says he was among the first to see the trade importance of far-flung oil fields.

He plans his campaigns from behind a semi-circular desk, stretching fully across a rather small office. On the wall directly behind him is a Dutch XVIIth century painting rather symbolical of the relative position of Royal Dutch and Shell in the group. It is of Dutch sailing ships flying at the topmast the Dutch flag, and underneath the Union Jack.

Three maps stand out on his walls, a constant reminder of the importance of America as an oil field and oil market. One shows the group's pipe-lines in America, and the others are of the middle western area of Roxana Petroleum, projected on a map of Europe. It covered most of Western Europe.

Deterding and Teagle

Interesting sidelights are thrown on Sir Henri through his old friendship with Mr. Teagle. "We have played golf together for about 20 years," Sir Henri tells me. Sir Henri for over 30 years has lived oil, but has also had a keen interest in finance and in international trade. From the start, he focused upon world business rather than on that of any particular country. His outlook from youth was essentially international in that Holland as a transit country is sensitive to every foreign influence. The horizons of his native country, Holland, were too narrow for him.

His years in banking in the East Indies made him familiar with Eastern trade. Thus he is alert to developments in oil as well as finance and general trade.

Sir Henri as Banker

His banking knowledge came in useful in the period of currency inflation after the war. Sir Henri has stood firmly for sound currency, retrenchment in government expenditure, and for the gold standard. He said back in 1921, "no artificial means will put exchange right. Since trade started it has been on a 90 per cent. credit and 10 per cent. gold basis, which to-day would likely be 98 per cent. So credit is wanted more than ever before. Therefore, to improve trade you must restore confidence. No nation can ask for confidence when its expenditure exceeds its income."

Sir Henri also found his banking experience most valuable in Royal Dutch-Shell's company promotions. Instead of buying foreign fields cash down as Standard usually preferred to do, Sir Henri proved himself a genius in share exchanges and in public financing.

Sir Henri believes in co-operating among all companies, but with Royal-Dutch on top. In 1903 Royal-Dutch made an alliance with the Samuels for Shell, and with the Rothschilds mainly for their Russian fields and for financing. In 1907 Shell and Royal-Dutch amalgamated. Royal Dutch of Holland controls 60 per cent. of the voting shares and Shell 40 per cent.

Dutch vs. Standard

Sir Henri saw in Standard group, already powerful before he took Royal Dutch-Shell in hand, a challenge to his enterprise as an oil promoter. At first he had enough to do, expanding and consolidating his group's world oil position. He then jumped cheerfully into rough and ready competition with Standard in world markets.

The Chinese market was one of the first where Sir Henri openly challenged Standard. Sir Henri was successful in getting a foothold here. During the war Sir Henri pushed the competition for wells and pipe-lines in the United States.

In 1920 Sir Henri denied all rumors of union of the two groups saying, "I have attacked Standard again and again, and they have spared no effort to keep us out of the United States."

With Rothschild's backing and large earnings from the war and after, Sir Henri felt able to reply to the assertion that Royal Dutch-Shell could never hope to beat Standard with all its money, that he was ready to match Standard in resources, dollar for dollar. This was probably an excessive boast, but is a good indication of Sir Henri's exuberance and focus in his competition.

But as head of an established and prosperous group, Sir Henri's policy naturally became more moderate, and has evolved from an inclination to fight on all fronts to one of live and let live. In some markets the groups compete actively, in others they agree on market policy.

There is valid reason to think that animated controversy over Russian oil need not upset friendly agreements between them in numerous markets. Sir Henri himself, in an interview with your correspondent, deplored the momentary break. He looks forward to many years more of active leadership of Royal Dutch-Shell.

Book Reviews

PERFUMERY PREPARATIONS

An interesting, and undoubtedly valuable, brochure, has just been issued by the Natural Resources Intelligence Department of the Department of the Interior, on Perfumery and Allied Industries. It is pointed out in this 50-page report that Canada pays a million dollars annually for imported perfumes and the like, most of which could be economically manufactured at home, including a good proportion from her own raw materials.

The natural resources of Canada in relation to perfume and allied industries including those of vegetable, animal and mineral origin, are given in full detail, and the outlook for Canada is thoroughly discussed without minimizing the difficulties that may be met with. An account of the industry in the United States indicates a possible parallel development for that in Canada.

The subject of the sources of essential oils and the intricate methods of fixation and blending and manufacture is fully treated for the purpose of interesting any who may be inclined to consider the question for the first time or be prepared to enlarge their operations.

Abstracts of the regulations governing the manufacture of perfumery, cosmetics, etc., an analysis of the Canadian and United States tariffs, with a list of books of reference and a price list of materials are also included in this very readable report.

FOREIGN TRADE, 1927

Official proceedings of the Fourteenth National Foreign Trade Convention, as published in book form, present a cross section of the many problems confronting American and Canadian exporters in the world markets. While the book deals largely with specific problems of American manufacturers, a section is devoted to Canada.

The convention of the National Foreign Trade Council brings together each year all the more important manufacturers and agents in Canada and the United States interested in export trade. At the Detroit convention last May, about 1,425 delegates registered. The successful innovation of a Canada session last year at Charleston made possible at Detroit a similiar session sponsored by the Canadian Chamber of Commerce and attended by the whole body of delegates at the convention.

Among the Canadian speeches reported verbatim in the proceedings, are those of Edward Beck, of the Canadian Pulp and Paper Association; George Wilson, ex-president of the Toronto Board of Trade; Travers Sweatman, K.C., of Winnipeg; Brig.-Gen. C. H. Mitchell, and Case R. Howard, of the Canadian Bank of Commerce, New York.

In all there are 48 addresses on all phases of this year's foreign trade situation in the volume; the verbatim text of thirteen general and group sessions; index of 900 items for handy reference; and names and addresses of the delegates from 34 states and 21 foreign countries. Additional copies of the proceedings are available for general distribution and can be had from the secretary of the National Foreign Trade Council, 1 Hanover Square, New York City, at a cost of $2.50 each.

Stock Market Transactions
Speed, Accuracy, Vigilance in clients' interests.
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POST-Scripts

THE "human interest" appeal that forms the basis for an enormous amount of twentieth century advertising, is well illustrated by the efforts of enterprising manufacturers to capitalize the results of the Canadian National Exhibition Swimming Marathon which is being held in Toronto next week. There are about 400 entries for the 21-mile swim, and every individual swimmer who is favored to finish near the top, is being besieged by manufacturers to link his or her name with their product.

Perhaps one of the most liberal offers is one that has been made by the manufacturer of a well-known brand of cigarette. This company has offered one of the German swimmers the sum of $20,000 if, on finishing the swim, he staggers out of the water and asks for a certain brand of cigarette.

ONE of Eastern Canada's younger and most successful business men, whose private fortune is reputed to be above the million mark and who can command other millions through his several enterprises, recently arrived in Montreal from a business trip to New York.

He was broke. His last half-dollar had gone to the porter. He was hungry. His business acquaintances would not be in the vicinity for an hour or two. His clubs were not convenient. He went to his office and waited until 9.15, when his personal stenographer arrived. He borrowed the price of a breakfast from her.

And it was not the first time. Cash in his pocket means nothing to him. When he goes out of town, he is handed cash and tickets enough for the trip. He spends blithely until it is gone and he expects it to last. On this trip, he was told that he had been supplied with the usual amount of cash. And yet he says that, except for a box of candy to a telephone girl in a friend's office—said telephone girl having been meticulous in relaying business messages to him—he spent only for necessaries. He has a reputation for simple living.

Investment Consultation
IF you are in doubt about the safe investment of your money (whether it be a small or large amount) do not hesitate to consult us.
By so doing you incur no expense whatever, and place yourself under no obligation to us.
Correspondence Invited.
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LONDON, E.C.2, ENG.

INQUIRIES INVITED

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries on sheets separate from other investment inquiries.

Mutual Finance

Will you please give me your opinion of Mutual Finance Co. and the advisability of exchanging its shares for shares in Crystal Comstock Gold?

Crystal Comstock Gold is a prospect in the Sudbury district. Mutual Finance Co. is a second mortgage company, operating principally in the Border Cities district. The finance company has shown increasing gross earnings and net profits for a number of years and the management appears to be competent. Thus, your client would be exchanging a reasonably safe investment for a gamble.

Investment for $300

I have a client who wishes to invest a small sum of money, approximately $300, and would be glad if you would advise me which of the following buys has, in your opinion, the best chance of showing a profit over a period of two years:

5 International Nickel,
10 Canadian Industrial Alcohol,
10 Canada Steamships Com.
15 Hollinger,
3 Laura Secord pfd.

Any of the five companies you mention probably would be a satisfactory investment over a period of two years. Our choice, perhaps, would lie between International Nickel and Laura Secord preferred. The Laura Secord preferred would probably be the steadier stock. Of course, you understand that the speculative feature of this stock is in the fact that it is convertible into common stock.

Quebec Dairies—Commerce Bldg.

I have $1,000 to invest and am offered preferred stock with bonus of common, in Quebec Dairies and Commerce and Transportation Building, Toronto. Which is better?

You ask us our opinion as to the relative merit of the common stock given as a bonus with the preferred stock of Quebec Dairies and of the Commerce & Transportation Building, Toronto. There is no very exact way of forecasting the earnings of any company. But we are inclined to the view that the common stock of a dairy company has a greater chance of appreciating in value than the common stock of a company owning and operating a building. The value in each case is dependent on earning power. Office buildings are not conspicuous for their large earnings.

De Forest Phonofilm

A a subscriber to your paper, I am enclosing herewith, a prospectus on De Forest Phonofilm of Canada Limited, shares of which are being offered by the Modern Securities Company Limited of Toronto. I would appreciate some information on both of these companies and what you think the prospects are for the success of phonofilms, and whether you would consider it to be an investment of any merit.

The DeForest Phonofilm of Canada is a company organized nearly three years ago. The stock is not an investment. It is a speculation. So long as treasury shares are being sold there is little possibility of the investor selling his holdings if it should become desirable to do so.

Generally speaking, it is our opinion that new inventions or new industrial enterprises should first of all be financed with private capital before offering to the public.

C.P.R. Rights

I am undecided as to whether I shall subscribe to my rights to ten new shares of Canadian Pacific stock, or to sell my rights and to watch the course of the stock on the market hoping to be able to purchase at a lower figure. Please give me your views.

It would seem to us that if you desire to increase your C.P.R. holdings, you would be well advised to exercise your option on the new shares. As soon as the shares sell ex-rights they will naturally decline a few points. This is obvious.

But whether or not you would save money by selling your rights and purchasing at a later date, simply depends upon the various factors which may influence the future market price of C.P.R. shares. Given normal harvests in the West over the next year or two, our impression is that the shares of the C.P.R. will experience still another advance in prices. Thus we would say that provided you wish to increase your holdings of C.P.R. you would be well-advised to do so by exercising your rights.

Lake Ontario Brewing

Any information you can forward me re Lake Ontario Brewing will be much appreciated. For many years I have been a regular subscriber to your paper and am indebted to it for much valuable and timely information. To me the most interesting page is "Your Investments."

We believe that the stock of the Lake Ontario Brewing Co. can be classed as a business man's speculative investment.

The brewing companies are having very good times just now, and we have every reason to believe that they will continue to enjoy increasing profits under changing conditions in the industry.

Of course, Lake Ontario Brewing stock is not a security to purchase until you have a certain foundation of conservative securities.

The possibilities for profit are good, but there is also a speculative element in the purchase.

Stock is being put out under very good auspices and J. M. Robinson & Sons, who are offering it, in our opinion, are thoroughly reliable.

Brewing Stocks

I am thinking of investing in the shares of some of the brewing and distilling companies. There are a large number of these organizations. Have you any thoughts on such purchases which you could pass on to me?

You certainly have a wide variety of brewing and distilling stocks from which you can take your pick. In view of the situation prevailing in Ontario, it is almost impossible to say just which of these stocks will make the best investment.

Experience seems to indicate that the investor can never go far wrong by purchasing securities of a long-established company and, therefore, the shares of the Canadian Industrial Alcohol or the National Breweries look like an attractive business man's investment to us if held over a term of years.

We think you would be well advised also to purchase some of the "power" stocks such as Shawinigan and Winnipeg Electric. Montreal Power shares are another security in this group which also look attractive on a long hold basis.

Twin City

Some eighteen months ago I bought some Twin City under the illusion that a good utility stock would make a sheet-anchor and lend stability to a few mining stocks on margin.

Sad to relate, instead of Twin City steadying the mining stocks the position has been reversed. Can you enlighten me as to what is wrong with Twin City? Do you think they will raise the dividend again, or would you advise the sale of this stock and the purchase of McIntyre?

You possibly would make more money by selling your Twin City and buying some of the dividend paying mining stocks. There probably is none better than McIntyre.

However, we question the wisdom of selling Twin City at this time. Apparently the company has come through its worst period and improvement may reasonably be expected from now on.

It has been suggested that the cut in the dividend was not strictly necessary from the earnings viewpoint. Presumably action of this kind was thought advisable with a view to influencing political opinion in Minneapolis and St. Paul. As we see it, the most unfavorable factor with regard to this company is that it is continually under political attack. These attacks, for the most part, are unjustifiable and we think that eventually public opinion will enable the company to make a reasonable profit on the investment.

Kelvinator

What is your opinion of Kelvinator common at present market price of $8 or $9 a share for a hold? Do you think it is being quietly accumulated at these prices?

A great many electrical refrigerators are being sold in nearly every country in the world. The industry undoubtedly is expanding and will expand rapidly. Kelvinator is one of the pioneers in this field and should have a distinct advantage over many or most of its competitors.

But we would point out to you that the marketing period for this company is in the spring and early summer and that comparatively few of the machnes can be sold in other seasons. This means that the company must carry on through a long, non-productive season. Companies which are in this position frequently achieve success, but it is a factor which must not be overlooked in considering the value of the investment. We also would point out to you that there is a great deal more common stock than preferred in this company. We have no information as to whether or not the stock is being accumulated at prevailing prices. It may be pointed out, however, that the price of the stock of the Canadian company compares favorably with the price of the common of Electrical Refrigeration Corporation of the United States, which is the parent company.

Belding Corticelli

Do you consider the common shares of Belding-Corticelli to be a good purchase? How will the earnings of the company during the current fiscal year compare with 1926?

From an investment viewpoint, probably the most satisfactory thing about Belding-Corticelli shares is the character of those behind the company. Thus you can be sure that the company is honorably and ably managed.

The common stock of the company looks like an interesting business man's purchase. Provided you hold other securities of a similar character, we believe you would be well advised to purchase some Belding Corticelli common.

The company is in a strong financial position, and we believe over a term of years will continue to do well. You must remember though that there is not a particularly good market for the common stock for there are only 7,495 shares outstanding. Most of the common shares are closely held.

We understand that Belding-Corticelli is doing as well as last year, but it is too early as yet to make any forecast regarding the results of the fiscal year which concludes November 30 next. There are too many factors which enter into the situation. The earnings of Belding-Corticelli depend entirely upon the domestic demand and in obtaining business the company meets foreign competition.

Our opinion of the stock is that it is an attractive business man's purchase for a long hold.

H. Walker, Etc.

I have profited considerably as the result of following your sound principles.

At this moment I am holding the following list of securities for appreciation over a period of time, and periodical fluctuations do not interest me. Therefore I would appreciate your advice regarding my selection, and would gladly welcome your unreserved comment.

50	Hiram Walker	at	43
50	Canada Dry	at	47
25	Massey Harris	at	37
25	Penmans (New)	at	78
30	B. A. Oil	at	26
15	Int. Nickel	at	66
10	Shawinigan	at	82
10	Brazilian	at	172

We are of the opinion that you have selected several of the best of the active stocks for appreciation of principal if you are willing, as you indicate you are, to be patient.

Canada Dry is not actively in business in this country, except through a subsidiary.

We are informed that the Hiram Walker, Ltd., is earning at a rate which makes your purchase price of 43 seem like a fairly good bargain.

Your Massey-Harris at 37 should return you a profit over a term of years.

Your B. A. Oil at 26 should also do very well inasmuch as this company is only indirectly affected and to no very great extent by the overproduction in crude oil.

Indications are that International Nickel in the course of a year or two will be worth much higher prices.

Shawinigan is one of the greatest utilities and should do well.

You paid a currently high price for your Brazilian at 172, but we think that this price will appear cheap a year or two from the present period.

Brooks Steam Motors

A customer of ours who holds a few shares in Brooks Steam Motors has received an enclosed circular letter suggesting the exchange of shares for a like number of Brooks Steam Motors Inc., of Buffalo. This customer has followed the reports of this company's annual meeting, etc., in your columns and would much appreciate your opinion as to the merit of this proposition. Stamped addressed envelope is enclosed for your reply.

We cannot see that your client would be any better off by acceding to the request of Brooks Securities, Ltd., to exchange his shares of stock in Brooks Steam Motors Canadian Co. into shares of Brooks Steam Motors, Inc., in New York state. The Canadian company is in a serious state, showing a rapid depletion of capital. Various legal actions which tend to injure the credit of the company, although the shareholders are not to be blamed for having instituted action to conserve their rights.

It is just possible that something may be retrieved for the Canadian shareholders if they stick together to prevent control definitely remaining in the hands of the present directorate. However, it is doubtful if anything can come from operation of the company either by the present management or by someone else. The same may be said for the American company.

There may be a future in steam automobiles, but before they can be definitely established as rivals and competitors of the gasoline automobile, a great deal of missionary work must be done among the public. The public must be convinced that the steam automobile is here to stay. The public will have to be assured that steam cars can be as easily and as conveniently serviced as gasoline automobiles. Above all, an immensely greater capital will be required to establish such a business than has been found so far, or could be found under existing circumstances by the present management of this company.

When Women Invest

Bonds Rise in Value But Without Wide Variations in Day-to-Day Quotations

A Weekly Feature.

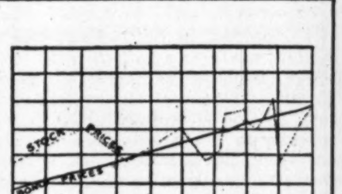
Women are usually told by their bankers and advisers that they should buy bonds and not stocks.

In the main the advice is sound and right. Good bonds have a freedom from fluctuation in price and a stability of income that make them attractive investments for women.

Any woman who has given only casual attention to security markets has been impressed by the fact that market prices of bonds do not respond as quickly and radically to good or bad business developments as do stock prices. Although both are affected by the same factors, earning power and the rate for money, stock prices fluctuate much more widely than bond prices. Why

One Debt; Other Ownership

One reason for this lies in the fact that bonds represent debt; stocks represent ownership. Bonds represent money lent at a certain rate of interest. If a business is highly profitable it usually means no increase in the yield from the bonds; at best, only a small increase because of the added



ALTHOUGH BOTH ARE AFFECTED BY THE SAME FACTORS, STOCK PRICES FLUCTUATE MORE WIDELY THAN BOND PRICES.

security. If the business increases its earnings by 5, 10 or 20 per cent. or any ratio, these increased earnings go to the stockholders, either in the form of dividends or in added value to the company's assets. Even if earnings decline, so long as the business can meet its obligations to the bondholders the bonds won't fluctuate widely, if at all. But the stock will reflect decrease in earnings much more quickly. If the decrease persists the stock will go lower and lower, but so long as there remains enough to meet the obligations on the bonds their price will follow much more slowly. If the company approaches bankruptcy the stock may become virtually unmarketable at any price, and although the bonds will be drastically effected, still they have first claim on the company's profit and stockholders can receive nothing until the bondholders have been paid.

Bondholders, as a class, are conservative. They aren't looking for possible big profits. They prefer a certain, definite, fair return to the chance of making or losing much. Unless current earnings become so low that the bond service is threatened the bondholder doesn't concern herself with market prices. She doesn't share in the increase in earnings that sends the stock up. The chief thing that can send the price of her bonds up is the money market. If she bought a sound bond to yield 6½ per cent, or 7 per cent. four years ago, she knows that that bond should sell at a substantial premium to-day when the curent rate on such a security is only about 5 per cent. to 6 per cent.

New England Thrift

We stopped, says the sprightly McCready Sykes in Commerce and Finance, for oil at a service station along the road that ran through mile after mile of the pines of Cape Cod. A bronzed Yankee teamster strolled over, and we fell into converse on the nature of the oil, the life of engines, the ways and manners of various parts of the country, and so pleasantly and by degrees to our immediate jobs.

"I'd like to find a place to get rid of that monument," he declared, glancing at his truck, where a massive rounded block of pink granite reposed half hidden by a seemly cloth.

"I can't find where it belongs," he explained, pronouncing "can't" with a broad A that one bears along the coast, alike from university professors, longshoremen, subscribers to the New Republic and hot dog vendors.

"I been trying to telephone all about here," he continued. "This darn thing is to go somewhere down the Cape, but they've got the shipping instructions wrong. It says 'Chatham,' but it don't belong there. There's $50 C. O. D., and $17 charges, and here I am."

We lifted the cloth, and read on the face of the monument:

In Memory of
Richard J. B. Coffin
Justice of the Peace
Born July 16, 1850
Died May 4, 1912
Also Jemima, Charity and Mehitabel
Coffin
First, Second and Third Wives
of the Above
"Therefore remaineth now a rest unto
the people of God."

"Any man can have the darn thing for the sixty-seven dollars," said our friend. "It must have cost a good sight more than that, but I'll be darned if I'm going to spend a day telephoning about the Cape, and work waiting for this truck."

Two natives emerged from the service station. "We've cut down the changes in the lettering all we can," reported the older of the two, "and we'll have to spend at least $50 and perhaps $75. Will you let us have it for $50 flat?"

"Couldn't do it, gentlemen," said the teamster. "There's $50 to collect and $17 trucking charges, and if I went back without $67 they'd take it out of my pay. Put yourselves in my position, gentlemen. You're getting a bargain as it is. That stone's worth $350 if it's worth a cent."

"He's right about it's being a bargain," declared the younger man. "The committee has $126 in the treasury now, so that there'd be something left for refreshments and a speech at the dedication. We could raise $75 more and perhaps get a senator to make the oration."

They examined the stone again. "I believe that if we didn't make so many changes we could alter the inscription so as to fit and keep within fifty dollars."

"Jim," declared the man who had first spoken, "I have a conviction; this is an opportunity. The way the subscriptions have been coming in, I don't believe there's a Chinaman's chance of buying a new stone. This seems like a providence of the Lord."

"Can we fix the lettering?" That's the question, and the only thing that's bothering me," Jim replied. "Let's get to work on that. If I could only fix up those lines about Jemima and the other ladies I could make it come all right."

"Well, Jim, we've just got to do it, and we'll set right down and do it now."

Interested, we waited about. At the end of twenty minutes, Jim and his fellow committeeman arose with countenances reflecting joy in a task performed.

"We'll take the thing," they announced to the teamster. "We'll draw up a bill of sale, and this gentleman"—indicating ourself—"will sign as witness."

We confessed to a professional interest in the literary labors of the committee, and with some pride they spread before us the result of their collaboration.

"The monument," said Jim, "will read like this, and if I do say it, there ain't a nicer stone on the Cape, not excepting the original landing rock of the Pilgrim Fathers at Provincetown. And a clean two hundred dollars saved!"

This is the inscription:

In Memory of
The Soldiers Who Gave Their Lives for
Justice, Truth and Peace
Born Native Citizens
Died Valiant Soldiers
Faith, Charity and Hope
First, Greatest and Most Important of
the Above is Charity
"Therefore remaineth now a rest unto
the people of God"
Erected by the
Progressive League of West Barnstable.

Imperial Bank of Canada has purchased the property at S.E. corner of Silverthorn Avenue and Rogers Road, Toronto. The building on this property will be remodelled at once to suit banking requirements. In the meantime the branch will be opened immediately in temporary premises at 340 Silverthorn Avenue, under the management of M. J. Gould.

Imperial Bank of Canada will open a new branch in Walkerville, Ont., on September 1st. This branch will be located on Tecumseh and Lincoln Roads and will be known as Tecumseh Road Branch. H. J. Arbuckle, at present accountant of Walkerville branch, Wyandotte St., has been appointed manager.

Established 1910

The Investor's primary object

Keeping his capital more profitably and safely invested should be the primary object of every investor.

The experience of seventeen years of Investment Mail Service enables us to insure all enquirers the personal attention of a staff of qualified experts. Put your investment problems up to them.

The Greenshields Catalogue, which is especially designed to meet the requirements of the investor by mail, sent free on request.

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August Bond List

This List offers investors a wide selection of Canadian Government, Municipal and well secured Corporation securities with interest returns ranging from 4.50% to 7.07%.

Copy gladly furnished upon request.

Wood, Gundy & Company
Limited
Winnipeg, Hamilton, London, Ont.
36 King Street West, Toronto
Telephone: Elgin 4321
Montreal, New York, London, Eng.

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine

Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

FACTORIES AT
MONTREAL, TORONTO, OTTAWA
WINNIPEG, WELLAND

HEAD OFFICE:
MONTREAL

LAKE OF THE WOODS MILLING COMPANY CANADA

LAKE OF THE WOODS MILLING CO. LTD.
Makers of FIVE ROSES FLOUR
Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat

CAPACITY, 20,000 BARRELS DAILY
President and Managing Director: FRANK S. MEIGHEN, C.M.G.
Vice-President & Gen'l. Manager: WM. W. HUTCHISON.
Directors:
R.M. BALLANTYNE, TANCREDE BIENVENU, HON. SIR LOMER GOUIN, K.C.M.G.
GEO. V. HASTINGS, WALTER MOLSON, R. W. REFORD, ABNER KINGMAN,
J. K. L. ROSS; N. J. BREEN.
Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

Consolidated Water Power and Paper Company

First Mortgage Gold Bonds, Series "A", 5½%, Due 1947

Principal and interest payable, at the option of the holder, in Canadian currency in Montreal or Toronto at the Bank of Nova Scotia, or in United States gold coin in New York or Chicago.

These are well secured bonds of a Company which has demonstrated its ability to operate successfully over a long period of years.

The Company is an old established one with an enviable record of earnings.

We recommend the bonds as a sound investment, selling at an attractive price.

A circular giving full particulars will be mailed upon request.

Price 97 and interest, to yield 5.75%

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
10 King Street East, TORONTO — 204 Blackburn Building, OTTAWA — 71 St. Peter Street, QUEBEC
245

News of Investment Markets

MUCH GOVERNMENT FINANCING SLATED FOR FALL MONTHS

Dominion and Provinces Will be in Market for Funds

Conditions in the Canadian bond market during the past two or three weeks have been featureless. One or two small municipal and industrial issues have been publicly offered and readily absorbed. There is plenty of money for investment, but the majority of bond houses have a paucity of new and even old issues to offer their clients. This has been due in some measure to lack of Dominion financing. Last year the government put out a large loan which enabled dealers to keep a good supply of securities on hand.

Up to the end of last week approximately $332,000,000 worth of new bond issues had been placed on the market this year. During the same period last year, the value of new issues was $414,015,862. At the same time, money is more plentiful and demand for high grade bonds has caused prices to advance to new high levels in many instances. While it is true that much of the new industrial financing this year has been in the form of preferred shares or common stock, yet the amount of corporation bonds issued is just as large as in 1926.

Interest in Refunding

Dealers are now awaiting with keen interest action on the part of the Dominion and Provincial Governments in regard to the refunding which it will be necessary to do this fall. In this connection, negotiations are already under way by Premier E. N. Rhodes, of Nova Scotia, and New York bankers concerning a $12,000,000 loan, tenders for which will be received up to September 2.

Some time ago, the Nova Scotia Government decided that instead of making a series of small loans for refunding purposes, it would be better for the credit of the province to float a large loan.

This year, the government has to redeem a loan amounting to $3,500,000 and another one of $4,000,000. In addition there are a number of small treasury notes to be redeemed, so that the total requirements of the government will approximate the figure of the new proposed loan.

Indicate Market Trend

It is more than likely that Canadian bankers will bid on this loan, either independently or in conjunction with some of the larger American houses. Whether a Canadian or American syndicate is successful in the bidding, a large part of the loan will undoubtedly be placed in Canada. Moreover, bidding on this loan will be watched closely as it will indicate in some measure the reception which the Dominion Government will meet when it goes into the market for funds to carry out its refunding programme this fall.

Between the 1st of November and the 1st of December next, three Dominion loans mature. The first is a renewal loan of $29,068,400; the second, $8,000,000 treasury notes, and the third, $63,437,250 Canadian Tax Free, making a total of $101,505,650. It is doubtful if the government will require to make a loan of this amount, as the Minister of Finance intimated at the last session that steps were being taken to refund a certain proportion of the Dominion's obligations this fall through a reserve which had been set up by the government. In any event, the loan will be very substantial and the bidding should be usually keen. Furthermore, it is evident from the large sums of money on hand in Canadian and American banks, that the movement of the grain crops this year will not draw upon reserves to the extent of other years. So that, it is reasonable to expect that the money required will be secured at a very reasonable rate.

Provinces Will Need Funds

In addition to the Nova Scotian and Dominion Governments, Ontario and Saskatchewan will likely undertake some refunding in the next two or three months. Ontario has a $5,000,000 loan maturing on the 15th of November, and while no announcement has been forthcoming from the government in regard to its intentions, it is likely that a new loan will be placed in New York. The government has also to meet an obligation of $700,000 on December 1st, being the first payment on the 1927-1955 serial loan. Refunding on these two loans will likely be undertaken at the same time.

Saskatchewan has a small loan of $852,200 maturing on October 1st.

Thus, it will be seen from the foregoing, that the amount of refunding, exclusive of new financing, during the balance of the year, will prove to be exceptionally heavy. The market is in an excellent state at present to absorb new issues. There is no reason to fear a glut of securities on the market in the months immediately ahead and the reception of new issues should be especially favorable.

Eastern Dairies Still Bettering Its Position

MONTREAL.—The earnings of the various subsidiaries of the Eastern Dairies during the current year have increased variously from 5 to 30 per cent. as compared with a year ago. The company's Montreal business—the largest sphere of its activities—is understood to be showing the largest increase in total sales. It is understood that shortly the management will issue a circular letter to the shareholders descriptive of the progress which has been made.

Reflecting the improving position of the company, the common shares have been steadily appreciating on the Montreal Curb Market over the past few months.

Issue of Guaranteed Bonds Offered by Quebec House

From Our Own Correspondent.

MONTREAL.—The Quebec investment house of Bray, Caron and Dube is offering $210,000 first mortgage, five per cent., serial bonds of the Creche of St. Vincent-de-Paul. The bonds mature serially from one to twenty years. They are being offered at par. The full payment of capital and interest of the issue is guaranteed by an annual grant from the government of the province of Quebec.

In addition, Bray, Caron and Dube is offering $125,000 five per cent., first mortgage bonds of the Reverend Sisters of Jeanne d'Arc. The bonds are being offered at par and the issue matures between one and twenty years. The issue is a first mortgage on the convent and lands at Bergerville, P.Q., and the new construction, which alone will have a total value of $250,000.

Speculative Offering of Kelly Dry-Pure Juice Made

From Our Own Correspondent.

MONTREAL.—Truax Carsley & Company and Credit-Canada, Limited, are offering as a speculation 27,543 shares of the Kelly Dry-Pure Juice Corporation. The corporation has been formed and has acquired the assets of the Kelly Dry Ginger Ale Company in the United States. It is planned to enlarge immediately the United States plant, which has been in operation a year, and also to build a bottling plant in Chicago.

Particulars of the issue follow:

27,543 shares Kelly Dry-Pure Juice Corporation. Class A stock, cumulative, participating —no par value.

Capitalization:

	Authorized	Outstanding for Properties	To be issued
Class A stock, cuulative, participating, no par value	50,000	17,457	27,543
Class B stock, non-cumulative, no par value	50,000	50,000	

The Company: Owns world rights of the Matzka process for preserving natural pure fruit and vegetable juices. The company has purchased the Long Island bottling plant and all other U. S. assets of the Kelly Dry Ginger Ale Corporation. It is planned to enlarge the New York plant and to build a bottling plant in Chicago.

Purpose of issue: For general corporate purposes; for the erection of plants; to develop business of the corporation; and for advertising and working capital.

Earnings: The application of the Matzka process gives promise of substantial earnings.

Dividends: Class A stock is entitled to $3 per share annually before dividends on Class B stock. Class B is then entitled to receive non-cumulative dividends of $3 per share. In further distribution of dividends above these figures, the Class A and B shares share and share alike. Class A stock is preferred as to assets as well as to dividends. The voting power is vested in the Class B shareholders, unless after 1930 two consecutive semi-annual dividends are in arrears of the Class A stock.

Offered: August, 1927, by Truax Carsley & Co., and Credit Canada, Ltd. The shares are offered in units consisting of ten shares of Class A stock and five shares of Class B stock, at $330 per unit. Application will be made in due course to list the shares on the New York and Montreal Curb Markets.

Federal Mortgage Corp. Debentures Offered

From Our Own Correspondent.

MONTREAL.—Stowell, Beers & Company is making a private offering of $800,000, twenty year, 6½ per cent. debentures of the Federal Mortgage Corporation. The company has been formed to conduct a mortgage loan and discount business, chiefly in the Montreal territory. Besides loans to builders and others, it will carry on a commission business in mortgages, insurance, valuation and property management.

The particulars of the issue follow:

$800,000 Federal Mortgage Corporation. 20-year, convertible, sinking fund, 6½ per cent. debentures. Dated June 1, 1927, due June 1, 1947.

Capitalization:

	Authorized	Issued
First mortgage collateral trust 6% gold bonds	$1,000,000	$1,000,000
Convertible 6½% debentures (this issue)	1,000,000	1,000,000
7% Cumulative preferred stock	1,000,000	1,000,000
Common stock (no par value)	100,000 shs.	90,000 shs.

The Corporation: Will conduct a mortgage business in and about the city of Montreal.

Purpose of issue: The proceeds will be used for loans to builders on first mortgages; acquiring first and second mortgages on the completed property, and for investments, including discounting mortgages and balance of sales.

Security: The Debentures are a first charge on the assets subject to the prior claims of the first mortgage collateral trust bonds.

Sinking Fund: Annually the corporation will deposit with the trustee mortgages or securities equal to ten per cent of the outstanding debentures, until such time as the trustee holds securities equal to the total value of the outstanding debentures. Up to 1932 each $100 is convertible at holder's option into one share of common stock.

Earnings: Estimated earnings will be equal to five times the debenture interest requirements, or after preferred dividends equal to $2 per share on the common stock.

Offered: Privately in August, 1927, by Stowell, Beers and Company, at $100, to yield 6¼% per cent., carrying a bonus of one-half share of common stock with each $100 par value debenture.

Vancouver Firm Offers Stock of Thrift Soaps

Public offering of 2,500 common shares of the Thrift Soaps, Ltd., of Vancouver, is being made at $10 a share through its fiscal agents, Thrift Underwriters, also of Vancouver. The company has an authorized capital of 10,000 shares, of which 4,700 are outstanding.

Thrift Soaps has acquired the business of the Thrift Chemical Works, and for the manufacturing and selling right respecting washing compounds under Canadian letters patent.

The proceeds from the present issue will be used to enlarge the company's business in Western Canada, and arrangements are now being made to export their goods to Denmark, Norway, Japan, Australia, etc.

Quebec Navigation Co. Offering Mortgage Bonds

Bray, Caron and Dube, Ltd., of Montreal, is offering a new issue of $85,000, 6½ per cent., 10-year, first mortgage bonds of the Quebec Navigation Co. at par. In addition to the first mortgage bonds, the company also has outstanding $75,000 preferred shares, and 800 shares of common stock.

The company was incorporated last year and operates passenger and excursion steamship routes on the St. Lawrence River. At the present time three boats are in operation. An annual subsidy of $15,000 per annum is received by the company from the Dominion Government, which is more than sufficient to meet the interest and sinking fund requirements.

SINKING FUND FEATURES DIFFER

Security of Bond Not Always Enhanced by Fund

In the trust indenture or contract under which bonds are usually issued it is frequently provided that stated sums shall be set aside periodically out of earnings to provide for the payment of the bonds year by year, on call or on a given date set for the maturity of the entire issue. Almost any type of bond may have this serial redemption or sinking fund feature. Where it applies to preferred stocks, it may offer the only means, excepting dissolution, through which the issue can be retired, since stocks have no maturity date.

The sinking fund may be held in a bank or invested in other securities until the bonds mature, and then be applied to their payment. It may be used to purchase the securities in the open market from time to time. This plan, however, may result in forcing the market price of the bonds to a higher level than they would possibly enjoy without this support. Consequently, when such a method is used the price at which the bonds may be purchased is usually limited in the sinking fund agreement. If they cannot be bought at or below that figure the trustee of the fund may be empowered to invest in other ways.

A third method is by calling by lot a certain number of bonds annually. Unless they are callable at a substantial premium, this plan is very objectionable from the investor's standpoint, since it makes the life of the investment very uncertain and may prevent the securities from advancing.

Sinking funds do not always add to the security of bonds, as many investors suppose. If the requirements of such a fund are so exacting as to hamper the profitable operation of a corporation, if they take no account of fluctuations in earnings, they may tend to decrease rather than increase the security behind the bonds. Sometimes, this money might be used more advantageously in an intelligent extension of a company's activities than in a sinking fund.

New Australian Loan is Offered to Canadian Public

Public participation by Canada in the $40,000,000, 30-year, 5 per cent., external loan gold bonds of the Commonwealth of Australia, is offered through an American syndicate composed of J. P. Morgan and Co., The National City Co., First National Bank, New York, Guarantee Co., of New York, Bankers Trust Co., New York, Harris, Forbes and Co., Lee, Higginson and Co., Brown Brothers and Co., and Kidder, Peabody and Co. The bonds are being offered at 98 per cent. and accrued interest, to yield over 5 1-8 per cent to maturity.

This loan is issued by the Commonwealth of Australia as a central borrower on behalf of itself and the states of Australia. The proceeds of the loan will be used for development and productive public works and for the payment of maturing debt.

At a recent conference of premiers, an agreement was entered into for adjusting the financial relationships between the Commonwealth and the states of Australia. This agreement will operate for 2 years, before the end of which period the people will be asked by referendum to embody the terms of the agreement permanently in the Federal Constitution. The agreement contemplates that the Commonwealth shall take over the debts of the states, the Commonwealth to apply for a period of fifty-eight years from July 1, 1927, towards the interest on these debts, a sum equal to the total of the per capita payments made by the Commonwealth to the states in the year ended June 30, 1927, and the states to provide the balance of the interest. There is a further provision that the Commonwealth and the states, out of their respective revenues, shall make annual contributions to a sinking fund, designed to extinguish the present debts of the states in a period of between fifty and sixty years from the present time and all future loans within a similar period from the time of their issuance. All future borrowing for the purposes of the Commonwealth and the states is to be arranged by the Commonwealth, in accordance with decisions of the Loan Council, which is representative of the Commonwealth and of the states. In respect of such borrowings, Commonwealth securities are to be issued, except where the Loan Council unanimously decides that the securities of a state may be issued, in which case the state securities so issued are to be guaranteed by the Commonwealth.

Conduit Preferred Shares Well Received by Public

An offering of $250,000, 7 per cent. cumulative preference shares of Conduits Co., by Fry, Mills, Spence and Co., is, it is understood, being well received by the public.

Conduits Co. has been in operation for twenty-seven years and was one of the first to manufacture rigid electrical conduits and has always occupied a prominent place, not only in the development of the conduit business, but in the electrical industry as a whole.

A modern plant is owned and operated by the company in Toronto for the manufacture of rigid electrical conduits, elbows, couplings, etc. Many new methods of improving certain manufacturing operations and new devices to aid in these operations have been installed recently. The company's products, under its own trade name, are well and favorably known throughout Canada and elsewhere and are used in the wiring of practically all types of construction, such as industrial plants, offices, public buildings, hotels, apartments, houses, etc.

Particulars of the issue follow:

$250,000

Conduits Company, Ltd.

7% Sinking Fund Cumulative Preferred Stock

Property and Business—Established in 1900 for the manufacture of electrical conduits, elbows, couplings, etc. Owns and operates a thoroughly modern plant in Toronto. Distribution of the company's products is through well established jobbers, with the exception of certain government contracts. This reduces sales expense and credit risks to a minimum.

Capital—7 per cent. sinking fund cumulative preference stock (this issue) $250,000 authorized, $250,000 to be outstanding. Common shares without nominal or par value, 12,000 shares authorized, 12,000 shares to be outstanding.

Assets—Total new assets as appraised January 31, 1927, less depreciation and exclusive of patents and goodwill since that date, total $381,119, which is equal to $152 for each share of preference stock, and after deducting the preference stock issue, about $11 for each share of no par value common stock.

Earnings—Average net earnings for the four years ended September 30, 1926, after depreciation and after making provision for government taxes were $42,207.

SinkingFund—Annual sinking fund of 10 per cent. of net earnings for the preceding fiscal year after providing for depreciation, income tax, and dividends on the preference stock.

Management—There will be no change.

Listing—Application will be made to list common and preferred on Toronto Stock Exchange.

Offered—By Fry, Mills, Spence & Co. at par and accrued dividend and a bonus of one-half share of no par value common stock.

Announcement

MR. W. P. HICKEY, THE MONTREAL RESIDENT PARTNER OF THIS FIRM, HAS BEEN ELECTED TO MEMBERSHIP ON THE

Montreal Stock Exchange

OUR TORONTO OFFICE, UNDER THE DIRECTION OF THE RESIDENT PARTNER, MR. JOHN R. MEGGESON, IS FULLY EQUIPPED WITH THE NECESSARY LINES OF COMMUNICATION TO RENDER EFFICIENT SERVICE IN THE EXECUTION OF ORDERS OR THE SUPPLYING OF INFORMATION REGARDING ANY STOCKS LISTED UPON THE EXCHANGES OF WHICH WE ARE MEMBERS.

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UNION WORKERS ASK DISMISSAL OF RED PICKETS

N.S. Mines Idle Because Minority Sought to Aid Sacco and Vanzetti

DISTRICT IS CONTENT

From Our Own Correspondent.

SYDNEY.—An extraordinary situation has arisen in the Cape Breton coal fields where committees of the employees are waiting upon the mine operators and demanding the dismissal of those responsible for the shutting down of all the most important pits Monday as a protest strike against the then impending execution of Sacco and Vanzetti.

The sequel indicated that the old Radical spirit of the miners has been greatly modified by the full employment and good times of the last two years of peace between Besco and the Union. On Sunday Jim McLachlan and other old time strike leaders addressed a huge mass meeting of sympathy at Glace Bay and succeeded in passing a resolution demanding that the district U. M. W. officers call a one-day district strike.

Pickets Stop Workers

President John W. McLeod expressed sympathy with the prisoners and said he thought the State might reasonably have granted a new trial or commuted their sentences to life imprisonment in view of the suffering they had already endured. But he did not see how a one-day strike would help their cause, and anyway it would be a violation of the Besco-U. M. W. contract. He refused to call a walk-out.

But the mines were idle next day and it was generally assumed that a majority of the men decided on their own initiative to stay away. Now it develops that the Radical element enforced the strike by picketing the mines.

The peaceful majority are furiously angry over this defiance of the executive and the demand for dismissal of individuals has resulted. There is also a movement for revoking the charter of Victory Local No. 24, which was the head and front of the strike movement. President McLeod, who has refused to address any of the Sacco-Vanzetti meetings, to-day declared that much of the trouble was due to members of the various locals staying away from meetings and allowing the business to be run by small Red cliques. He predicted that if a majority of the members of each local would attend the meetings the difficulty would straighten itself out.

Mills, Mines, Busy

Coal shipping continues brisk with a prospect of full employment until the close of navigation and better than usual winter work on account of a decision to bank 600,000 instead of 500,000 tons of coal here.

The Sydney steel mills also expect a further order of 7,000 tons of rails for the Jamaica railways on completion of a 3,600 ton order now being rolled.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1947	96¾	97¾
Abitibi P. & P. 6s, 1940	104¼	105
Algoma Steel 5s, 1962	27½	28¾
Alberta Pac. Grain 6s, 1946	97⅛	98
Bell Telephone 5s, 1943	101¼	101¾
Belgo Can. Paper, 6s, 1943	101¼	102
Brandram-Henderson, 6s, 1936	96	98
B. C. Pulp & Paper 6s, 1950	88	91
Brompton P. & P. 6s, 1946	98¾	99¾
Burns, P. & Co., 6½s, 1943	102½	104
Calgary Brewery 5s, 1942	92¾	94
Calgary Power 5s, 1940	92¾	93⅝
Canada Biscuit, 6½s, 1946	102½	103¼
Canada Lt. & Pr. 5s, 1949	91¼	93
Can. Nor. Power, 6s, 1941	101	102
Can. Paperboard 7s, 1937	98½	100
Can. Steamships 5s, 1943	99	100
Can. Steamships 6s, 1941	101	102
Can. Steel Foundries, 6s, 1936	105½	106½
Davies, Wm., 6s, 1942	92¾	94
Dominion Iron 5s, 1939	32½	35
Dominion Pr. and Tr. 5s, 1932	96¾	97¾
Drummond Invest. 6½s, 1938	98¾	99½
Duke Price Pr. 6s, 1966	104¾	105⅜
East Kootenay Pr. 7s, 1942	103	104½
Elec. Development 5s, 1933	100	100¾
Famous Players 6½s, 1943	99	100
Fraser Co. 6s, 1950	98¾	99½
Gatineau Power 5s, 1956	97⅜	97¾
Gatineau Power, 6s, 1941	100⅜	100⅞
Howard Smith P. & P. 6s, 1941	103¼	104¼
International Paper 6s, 1941	104	105
King Edward Hotel 7s, 1944	92	95
Lake Superior P. & P. 6s, 1941	105½	106½
Laurentian Pr. 6s. 1936	103¾	105
Laurentide Pr. 5½s, 1946	101¼	102½
Maritime Tel. & Tel. 6s, 1941	104½	105¾
Manitoba Pr. 5½s, 1951	99⅝	100½
Mercury Mills 6½s, 1942	101¼	102½
Mont. L., H. & Pr. 5s, 1951	100⅛	100¾
Mont. Pub. Service 5s, 1942	98⅞	99⅝
Nor. Ont. L. & P. 6s, 1946	100¾	101½
Nor. West Utilities 7s, 1938	99¼	100¼
Nova Scotia Steel 5s, 1959	68	69
Nova Scotia 6% Debs.	28	32
Nova Scotia Tram. 5s, 1946	91½	92½
Nova Scotia Tram. 7s, 1952	99½	100½
Ont. Pulp & Paper 6s. 1931	108½	110
Ottawa Hull Pr. 6s, 1948	103⅝	104¾
Ottawa L., H. & Pr. 6s, 1953	103⅝	105
Ottawa Mont. Pr. 6½s, 1949	102⅝	103¾
Ottawa Trac. 5½s, 1955	100⅝	101½
Ottawa River Pr. 6½s, 1953	101	102
Port Alfred P. & P. 6½s, 1943	100¾	101½
Price Bros. 6s, 1943	102¾	103¾
Prov. Lt. Pr. 5s, 1946	101	102
Rio Tramway 5s, 1935	95⅜	95⅞
Sao Paulo Tram. 5s, 1929	97⅞	98½
St. Lawrence Paper 6s. 1946	96¾	97¾
St.Maurice Valley 6s, 1945	98½	100
St. Maurice Pr. 6½s, 1953	107¼	108
Shawinigan W. & P. 6s, 1950	104½	105¾
Simpson's, Ltd., 6½s, 1945	103	104
Southern Can. Pr. 5s, 1955	98⅞	99½
Spanish River P. & P. 8s, 1941	106⅜	107¼
West Kootenay Pr. 6s, 1943	103⅛	104½

NATION'S BUSINESS

(Continued from page 1)

be of great use to the empire in time of stress. It might also work out that the knowledge gained would focus attention in a striking manner on the potential mineral wealth of Canada and thus the Dominion would not have to wait for a time of stress to benefit from the proposal.

R. E. Palmer, president of the London Institute of Mining and Metallurgy in coming to the congress, is just returning home. He is a Canadian, a native of Charlottetown, P.E.I., who gained his first real mining experience in the old Rossland camp of British Columbia. Then he went to the Rio Tinto mine in Spain and later to London as consulting engineer for the same company. He is still there. He believes that the congress will focus attention on the success of the industry in Canada and will assist in inspiring people outside the Dominion with confidence in the method of financing Canada's mining prospects.

FOREIGN EXCHANGES

Canadian Funds Again at Premium

After an unseasonal depression to the point where some gold was exported from Canada to New York, Canadian funds moved forward to par and at times were even quoted at a premium. This situation has been brought about in some measure on account of the commencement of the wheat movement, but also due to the heavy flow of tourist traffic between the two countries. The period of the wheat movement, of course, is also the time of the greatest strength of the Canadian dollar and the weeks just ahead should see a further strengthening of exchange.

Sterling was slightly higher during the week, but traders are beginning to feel that it has about reached its height for the time being. Funds on hand in London are ample and money from other countries continues to flow in that direction. Commercial offerings and cotton bills on the New York market have not been particularly voluminous of late, but an increasing number is expected from now on till the end of the year.

Argentine pesos came in for some attention during the week. A shipment of £500,000 in gold has gone forward from the Bank of England to Argentine, the effect of which will probably be more or less inflationary. Pesos have been selling at a premium over the dollar and the market is quite strong.

Spanish pesetas and Norwegian kroner also came in for active buying. The latter has shown signs of weakness, on account of unloading by speculators who bought on the various booms during the year. Sentiment in the market on pesetas, however, is still bullish. Kroners again sold over 26 cents. No reason is evident for this move, but the supposition is that Norwegian official buying has been taking place.

The European and other lists were, as a general rule, quiet and steady.

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last Year High (Discount)	Last Year Low (Discount)
Aug. 18	5-64	1-32	1-8	5-32
Aug. 19	1-16	3-64	9-64	5-32
Aug. 20	3-64	1-32	9-64	5-32
Aug. 22	1-32	1-64(d)	5-32	5-32
Aug. 23	(par)	1-64	5-32	5-32
Aug. 24	(par)	1-64	11-64	3-16

(d) discount.

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Aug. 18	4.85¾	3.91¾	5.44½
Aug. 19	4.85¾	3.91¾	5.44
Aug. 20	4.85 13/16	3.91 13/16	5.44
Aug. 22	4.85 13/16	3.91 13/16	5.44¼
Aug. 23	4.85¾	3.91¾	5.44
Aug. 24	4.85 3/16	3.91¾	5.44¼

FOREIGN EXCHANGE

Par		Aug. 17	Aug. 24
13.90	Italian	5.45	5.45
32.45	Brazilian	11.85	11.85
23.82	German	23.80	23.81
19.30	Belgian	13.93	13.92
84.85	Japan	47.40	47.38

This Week's Bond Sales

TOWN OF DARTMOUTH

The Town of Dartmouth, N.S., $71,000, 4½, per cent., 20-year bonds have been awarded to Johnston & Ward at a price of 95.13. Other bids submitted were as follows:

J. C. Mackintosh & Co.	95.09
Eastern Securities Co.	94.07
W. F. Mahon & Co.	93.86
Bank of Nova Scotia	93.772

CITY OF FREDERICTON

Royal Securities Corporation were the successful bidders for the $25,000, 5 per cent., 20-year bonds of the city of Fredericton, which were awarded at a price of 102.00. Other bids were:

J. M. Robinson & Sons	101.61
T. M. Bell Co., Limited	101.45
Eastern Securities, Limited	101.14
Mead & Co., Limited	100.34
Bell, Gouinlock & Company	99.41
Wood, Gundy & Co., Limited	99.40

Continues Imposture of Fake Lord Beaverbrook

Character of Reading Found in Tabloid Newspapers Coming Into Canada is Indicated by Lurid Advertisement of U.S. Syndicate Which Fails to Show That Man in Prison is Not Nobleman

Why I'm the Modern "Don Juan"
By LORD BEAVERBROOK
The Admitted Lover of a Thousand Beautiful Women
The nobleman accused of having loved, wooed, won and hogswoggled numerous beautiful women, maids, widows, debutantes.— yes, even grandmothers — and obtained several million dollars from them. Now in prison in New York, on charge of swindling women of their fortunes and held for further investigation as to his operations the world over. Wanted by authorities and has a record in nearly every state in the Union as well as in Canada.
A STORY FROM THE PEN AND OVER THE SIGNATURE OF THIS GREAT WOOER.
Thirty daily installments—Released about September 1.
Illustrated by pictures furnished by Lord Beaverbrook.
WIRE YOUR ORDER
Graphic Syndicate, Inc.
350 Hudson St. New York

Students of the Sunday supplements may have read something about the man who was enough like Lord Beaverbrook in appearance and manner to be confounded with the former Canadian financier, now owner of the London Daily Express. The fake baron was extraordinarily successful with the ladies and for him many of them readily parted with their cash and other valuables.

The fake Lord Beaverbrook evidently has written a lurid tale about his sordid adventures and the Graphic Syndicate, ever on the alert for likely material to make the factory flappers gasp, offers to sell it to newspapers as a serial in thirty gripping instalments.

Is Tabloid Sensation

The advertisement which was designed to catch the eye of editors on the lookout for snappy stuff is reproduced herewith. It shows the character of reading which may be expected in the scandal sheets which are overflowing into Canada from the gutters of the large cities of the United States. While the Dominion government is in the business of banning foreign publications, those which print tales of the love affairs of an imposter, and similar reading matter for the masses, might well be shut out.

Several criticisms may be made of the advertisement itself, besides the general criticism of the propriety of newspapers of professed decency pandering to depraved tastes in literature.

Deceives the Ignorant

It might be asked the Graphic Syndicate if it is fair to the real Lord Beaverbrook to advertise an effusion of this sort without indicating clearly that the author is an impostor, if, assuming that no editor was deceived into thinking that the authorship is that of the genuine baron, is it fair to give the inference that the genuine baron has furnished the illustrations which are to be sold with the serial, and further by what right the Graphic Syndicate designates the man now in prison as a "nobleman" when any almanac reveals the fact that the only Beaverbrook in the peerage is the first baron.

The former Canadian's prominence as a financier and publisher precludes anyone less ignorant than a newspaper tabloid reader from knowing that only an impostor could be the author of such a serial as is being offered to newspapers for publication in the United States and Canada.

Tenders and By-laws

August 29, Sioux Lookout—$30,000, 5 per cent, 20, instalment.

August 29, Welland—$36,000, 30 year, 5 per cent instalment debentures, dated August 1st, 1927, A. W. Jackson, City Treasurer.

September 6.—Catholic School Commission of East Angus, P.Q., $500,498, 5½ per cent., 20-year bonds. J. A. Vachon, sec.-treas.

September 7.—School Commission of St. Etienne-des-Gres, P.Q., $500,000, 5 per cent., serial debentures. Joseph Dupon, sec.-treas.

BRITISH COLUMBIA

The following certificates have been issued by the Municipal Department of the Province of British Columbia upon the following dates:

June 27, 1927, City of Prince George—Waterworks extension by-law, No. 230, 1927, by-law No. 230, as amended by by-law No. 231, $12,000, payable in fifteen years with interest at 6 per cent., payable half-yearly.

June 27, 1927, City of North Vancouver—The City of North Vancouver Local Improvement Consolidation by-law, 1927, by-law No. 836, $26,001, payable in fifteen years with interest at 5 per cent., payable half-yearly.

June 28, 1927, Point Grey—Pole removal loan by-law, No. 324, 1927, by-law No. 324, 1927, $11,200, payable in twenty years with interest at 5 per cent., payable half yearly.

June 28, 1927, Point Grey—Ornamental Street Lighting by-law, No. 325, 1927, by-law No. 325, 1927, $8,000, payable in twenty years with interest at 5 per cent., payable half yearly.

July 21, 1927, Township of Chilliwack—Township of Chilliwhack School Loan by-law, 1927, $4,000, payable in ten years with interest at 5½ per cent., payable yearly.

July 25, 1927—City of Prince Rupert—City of Prince Rupert Local Improvement Consolidating by-law, No. 629, by-law No. 629, $50,-979.05, payable in ten years with interest at 5 per cent., payable half yearly.

July 27, 1927, District of North Vancouver—Robson Road Cement Sidewalk (1st section) Local Improvement Loan by-law, 1926, $810, payable in twenty years with interest at 5 per cent., payable half yearly.

July 27, 1927—District of North Vancouver—Roads Construction Loan by-law, 1927, $86,000, payable in twenty years with interest at 5 per cent., payable half yearly.

August 3, 1927, City of New Westminster—Street Improvement Debenture by-law, 1927, by-law No. 757, $60,000, payable in ten years with interest at 5 per cent., payable half yearly.

August 3, 1927, City of New Westminster—Carnarvon Street Fire Hall Debenture by-law, 1927, by-law No. 758, $30,000, payable in twenty years with interest at 5 per cent. payable half yearly.

August 4, 1927, District of Maple Ridge—Local Improvement Debenture by-law, 1926, $46,000, payable in thirty years with interest at 5 per cent., payable half yearly.

August 8, 1927, City of Nelson..Nelson Streets Improvement by-law, 1927, by-law No. 449, $70,000, payable in twenty years with interest at 5 per cent., payable half yearly.

RAW WOOL MARKET EXHIBITS STRENGTH

The Lack of Large Surplus Benefits Canadian Growers

Sheep-raisers who forbore to sell their wool clip early in the shearing season, have fared better than those who let their holdings go at the first opportunity. As so often happens, especially during a season of good markets, prices have strengthened since shearing time, and only those wool growers who held or shipped on consignment will reap the benefit of this firmer market.

"In Ontario and the Range areas of the West, some men sold their wool for 18 and 19 cents per pound and even lower in the domestic wool areas of the West, at the beginning of the season," states W. H. J. Tisdale, of the Canadian Co-operative Wool Growers, in reviewing the situation. "If these men had shipped their clip on consignment, there is a good possibility that they would have received about 20 per cent. more for it according to present market conditions."

The Wool Growers, according to Mr. Tisdale, are going to handle about 3,500,-000 pounds this year, which is about the usual amount of wool graded and sold by this organization. Of this a million and a quarter pounds have been received at the Weston warehouse from the range territory of Southern Alberta and Saskatchewan and another million from the farm flocks of the West.

The market is active and firm, according to the same authority. "August, which is generally a quiet or holiday month, has been the most active for some time past," he reports, "and it is generally conceded by the whole trade, both on this continent and abroad, that September will witness a very wide inquiry for all grades of wool, and that prices will continue firm. There is no large surplus of wool anywhere in the world at the present time."

CRUDE OIL PRODUCTION DOWN

With prorating arrangements operating in Seminole and big Yate pool in West Texas, crude oil production in the United States is showing a material reduction. This arrangement will be for the benefit of all the producing companies, although it will show more especially in the interest of the companies actually operating in the fields concerned.

Diversified Standard Securities
(AN INVESTMENT TRUST)
Specializing in Stocks of
STANDARD OILS
and their Subsidiaries
Offers 8% PREFERENCE STOCK
Cumulative, non-voting, fully paid, non-assessable, redeemable at 105% of par value ($25.00).

EVERY SHARE SECURED
by stocks now held in 25 Standard Oil Companies, 15 of which have already declared EXTRAS in addition to regular dividends.

Thus providing an average yield IN EXCESS OF EIGHT per cent., while the great appreciation assures substantial profits for the common stock holders. This stock is offered in units of Preference and Common shares.

PRICE ON APPLICATION

MAIL THIS
Without obligation give me particulars re Diversified Standard Securities, Limited.
Name ....
Address ....
TO
F. J. Fairhall & Associates Limited
Investment Bankers and Brokers
260 St. James Street, Montreal
MAin 3197

Mackay Companies Buy Radio Company

Mackay Companies have purchased outright the Federal Telegraph Company. It is understood that the purchase was for cash and that the deal will not necessitate any new financing on the part of the Mackay Companies.

George V. McLaughin, vice-president of the Mackay Companies, gave out this information:

The Mackay Companies has signed a contract for the acquisition by a subsidiary of the radio communication system of the Federal Telegraph Company, which operates a point to point radio service in California, Washington and Oregon, and also a ship to shore radio service on the Pacific Coast. The Federal Company also is engaged in the manufacture of radio apparatus under the patents and patent rights of the Federal Company. The Mackay Companies has been conducting an examination into the Federal Company's system and patent rights for a period of over eight months, and is satisfied that shortly after he consummation of this transaction the Mackay System will be in a position, without fear of patent infringement, to go forward with the extension of radio communication service as a part of its communication facilities.

The contract will enable the Mackay System to offer to the public a complete land telegraph, ocean and cable, and land and ocean radio service, and this places the Mackay System in the position of being the only communication system offering such a comprehensive service.

The Mackay Companies also announced the election of Mr. H. A. Emmons as a He has been for the past 17 years with vice-president of the Mackay Companies. the Western Union Telegraph Company as traffic engineer, and his duties with the Mackay System will be of the same nature.

Maritime Province Investments
Government Municipal Corporation Bonds
Inquiries Invited.
Eastern Securities Company Limited
Head Office—Saint John, N.B. Halifax, N.S. Charlottetown, P.E.I.
Montreal—Transportation Bldg.

FOUNDED 1883
BONDS for SAFE INVESTMENT
GOVERNMENT, Municipal Public Utility and Industrial Bonds.
Selected with careful regard to safety, dependable income and marketability.
Write for List.
HANSON BROS.
Investment Securities
160 St. James St. Montreal — 330 Bay St. Toronto
63 Sparks St., Ottawa

We own and offer.
Canadian Vickers Ltd.
First Mortgage 6% Bonds
Due 1st Aug. 1947
Price: 98½
and interest to yield over 6.10%
Circular sent on request.
BROWN, URQUHART & COMPANY LIMITED
INVESTMENT BONDS
180 St. James Street, Montreal

Roberts-Cameron & COMPANY, LTD.
Government and Municipal Bonds
Listed Stocks
Northern Ontario Bldg.
AD.3486-7-8 TORONTO

RECENT ISSUES
Canadian National Railway
4½% Bonds - 1957
Price: 98.50 and interest to yield 4.60%
City of Sherbrooke, Quebec
4½% - 30 Year Serial Bonds
Price to yield 4.80%
Full particulars on request
RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 71, St. Peter St.
(ESTABLISHED 1901)
E225

We recommend
Hamilton Dairies
Zimmerknit
Preferred and Common
DENMAN & CO.
LIMITED
INVESTMENT BANKERS
HAMILTON, ONT.
BRANCH: BELLEVILLE, ONT.

INVESTMENT BONDS
HIGH-GRADE PREFERRED STOCKS
Williams, Partridge & Rapley, Limited
171 ST. JAMES ST., MONTREAL

Grant Johnston & Co
MEMBERS
MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET
104 ST FRANCOIS XAVIER ST
MONTREAL
TELEPHONES MAIN 6184 & 6185

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Published monthly and sent gratis to interested inquirers by
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MONTREAL OTTAWA
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JONES, NEWTON & HEWARD
MEMBERS MONTREAL STOCK EXCHANGE
105-106 TRANSPORTATION BUILDING
TELEPHONE MAIN 2411*

Mara & McCarthy
Members Toronto Stock Exchange
Members Montreal Curb Market
Stock Brokers
297 Bay Street - TORONTO

BOND MOVEMENTS OF THE WEEK

Week Ending Aug. 23

Bonds	Int. Rate	Due	Yield	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos Co.'s, 6s	6	1956	6.50	83¾	81¼	94⅛	88	101⅛	99⅞	93⅝	92½
Cedar Rapids	5	1953	5.05	101½	98⅛	101	99	..	100⅜	99¼	99¼
Dom. Canners	6	1940	6.03	101	99	101½	99	..	100	99¾	99¼
M. Trams. "A"	5	1955	5.24	95	92½	97	94¼	97⅛	96⅛	96⅝	96⅛
Ogilvie "B"	6	1932	5.02	105½	103¼	104¼	104	104½	104	104¼	104¼
Wayagamack	6	1951	6.08	100⅝	90	100	97	..	99	99	99
Winnipeg Elec.	5	1935	5.15	95⅛	94	99	99	..	99	99	99
War Loan	5	1931	4.70	100.40	100.35	101.85	100.75	101.70	101.45	101.40	101.40
Do.	5	1937	4.50	104.95	102.75	104.40	102.95	104.60	104.35	104.35	104.35
Victory Loan	5½	1927	4.90	102.50	100.15	101.00	99.85	100.10	100.55	100.15	99.90
Do.	5½	1933	4.70	106.35	103.20	105.20	103.90	104.90	104.65	104.65	104.40
Do.	5½	1934	4.97	104.40	102.65	104.10	103.00	103.35	103.15	103.30	103.00
Do.	5½	1937	4.55	103.90	106.70	108.50	106.90	108.40	108.30	108.35	108.20
Do., Renewal	5½	1927	4.75	101.05	100.00	100.80	99.90	100.25	100.00	100.05	100.05
Do., Renewal	5½	1932	5.00	103.90	102.00	103.55	101.85	102.75	102.50	102.70	102.30
Do., Refund.	5	1928	4.85	101.35	99.00	101.45	99.75	100.35	100.10	100.35	100.20
Do., Refund.	4½	1940	4.55	96.95	95.60	100.05	96.60	99.10	98.85	99.30	98.70
Do., Refund.	5	1943	4.65	102.80	101.10	103.90	102.30	103.60	103.35	103.50	103.40
Do., Refund.	4½	1944	4.55	97.15	95.70	100.10	98.05	99.35	99.05	99.35	99.25
Do., Refund.	4½	1946	4.54	99.60	95.65	100.25	96.70	99.55	99.25	99.55	99.15

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Brandon, Man.	Aug.	Can. Bank of Commerce	5½%	30-year	$40,000	105.15	5.16
Dartmouth, N.S.	Aug.	Johnston and Ward	4½%	20-year	71,000	95.13	4.88
Fredericton, N.B.	Aug.	Royal Securities Corpn.	5%	20-year	25,000	102.00	4.84
Blenheim, Ont.	Aug.	Locally	5%	30-year	85,000	100.00	...
Estevan, Sask.	Aug.	Houston, Willoughby & Co.	6%	10-year	10,000	.....	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Thrift Soaps, Ltd.	Aug.	Thrift Underwriters, Van.	...	.....	2,500 shs.	Par $10	
Quebec Navigation Co.	Aug.	Bray, Caron & Duke	6½% (Bonds)	10-year	$85,000	101.00	6.50

Insurance for Buyer and Seller

URGES PRODUCERS CLUBS FOR FIRE COMPANY AGENTS

Writer Thinks Life Insurance Lead May Well be Followed

By LYALL H. KERR.

"Why are there no 'producers clubs' in the realms of fire and casualty insurance. Why are the bulk of Canadian fire and casualty companies ignoring the possibilities of the 'convention trip' as an incentive to personal production and also to esprit de corps among their underwriters?

At this time of the year, hundreds of life insurance underwriters throughout the country are packing their bags and flitting away to Mackinac or Murray Bay for the annual convention which comes as the reward for underwriting achievement throughout the past year. Others are hammering away at production, even in these dog days of summer—lured by the rosy prospect of a cruise to Bermuda at the beginning of 1928. Where does the fire or casualty underwriter figure in this little drama of pleasure and inspiration

One Company Using Idea

From all accounts, there is only one company operating in Canada in the fire and casualty field, which is using the "producers club" method to encourage sales and to foster loyalty among the members of its agency force. This company is thoroughly sold on the idea of a production club, and maintains that the system is productive of excellent results, both to themselves and to their agents.

The system of producers clubs as worked out by every Canadian life insurance is, of course, extremely simple, and is well known to every underwriter. A quota is set according to average run of production among the underwriters, and membership in the club is made dependent on the underwriter selling at least the amount of insurance set forth in the quota. The president of the club is invariably the man (or woman) who sells the largest amount of insurance during the year, and other officers are picked in a similar manner, according to respective amounts produced. The privileges of club membership depend upon the circumstances of each individual company, but, generally speaking, the most important privilege is a trip to the annual club convention at the company's expense. It is these club conventions (with the one exception noted above) that are utterly lacking in the field of fire and casualty insurance in Canada.

In the realm of life insurance these annual outings serve the dual purpose of providing pleasure and inspiration. As a rule, business sessions are held in the morning, while afternoons and evenings are left free for recreation. Everything, of course, is kept as informal as possible, with the result that underwriters get every opportunity not only to chat about their problems and experiences, but also to come into close contact with the "key" men and executives of their organizations.

Keeps Up Morale

The contacts made in this way are valuable in many ways. Insurance executives are nearly always men who have themselves gone through the mill, and who are extraordinarily near to the field in which their company serves. Round table discussions soon bring this fact to light and the quiet and healthful atmosphere of a retreat such as Murray Bay is well-suited to the creation of contacts that must be exceedingly helpful to the various members of the organization who are privileged to attend.

In addition to the educational and fraternal benefits of these conventions, there is the broader question of morale. Consistent production throughout the year finds its reward in a club membership. A club membership in due course offers an opportunity for the underwriter to renew body and soul, at the company's expense, and under the conditions which are almost perfectly conducive to spurring him on to greater things next year. The logic seems indisputable.

But immediately the fire and casualty men say something very like this:

"That is all very well for the life insurance companies. In the first place they have plenty of money to spend on that sort of thing, and secondly their peculiar organization lends itself to the convention idea, whereas with us it is entirely different. We have few, if any, 'whole time' men. Our business is almost entirely handled through brokers who may be representing upwards of ten or fifteen companies."

As far as the first argument is concerned, there is probably no better answer than the old proverb—"Where there's a will there's a way." Competition has undoubtedly been keen in all fields of insurance within recent years, and in many cases rates have been cut to a point that has eliminated profit entirely. However, in the majority of cases the situation has been only a temporary one, and even where loss ratios have pared down the underwriting profit, there has always been a substantial profit from investments and other such sources to more than counterbalance poor results from the field.

As far as the alleged poverty of the fire and casualty companies is concerned, is there not an argument here on the moral side of the fence? If a sense of loyalty and co-operation among agents is desirable at any time, it is surely most desirable during periods of fierce competition. Producers clubs foster this loyalty and good-will between agent and company. Therefore, is it not logical that a small sum of money set aside annually to bring agent and company together would create a moral bond which would be of definite value, and produce actual monetary results during highly competitive periods

The second objection to the use of the production club system, is the fact that fire and casualty business is placed largely through brokers who represent not one but many individual companies. However, on second thought, why should this constitute a valid objection? Doesn't this form of organization offer even greater possibilities for the use of the production club? The very fact that a life insurance company is composed almost entirely of full-time, one-company agents, should remove the need for additional incentive in the form of producers clubs. The divided allegiance of the broker should make the efforts of the company even more active in this regard.

Experience Indicates Success

The experience of the one company which is pioneering in this matter in Canada, bears out in detail, the conclusions that follow logically from this discussion. This company has for years maintained producer clubs in both the automobile and burglary lines of its business. In both these fields there are two clubs, one called the Producers and the others, the Leaders. In automobile insurance, the quota for producers is $2,500 of paid-up premiums in a year, and the quota for leaders is $5,000. The quotas in burglary are $1,000 and $2,500, respectively.

Membership in these clubs is by districts, and the leader of the club in each district is the underwriter who writes the most business during the year. Leadership in any district automatically sends the recipient of the honour to the annual outing wherever that may be.

According to officials of the company, the system of producers clubs is a valuable part of their organization. Particularly is this true in regard to the question of loyalty. Far fields invariably look green to the insurance broker, and if one company is unwilling to give him what he wants, he feels that there is always some one else around the corner who will give him a better contract.

The problem is, of course, as old as the insurance business itself, and not even the producers club will wholly solve it. However, there seems to be room for a much wider application of the producers club idea among the fire and casualty fraternity in Canada, and an opportunity for the use of this medium to build up a better and stronger agency connections than are the rule at the present time.

Life Insurance Sales in Canada*

	1922 $	1923 $	1924 $	1925 $	1926 $	1927 $
January	27,432,000	28,108,000	30,673,000	30,838,000	33,907,000	36,986,000
February	26,023,000	25,409,000	30,704,000	28,698,000	34,744,000	35,525,000
March	27,516,000	28,142,000	34,383,000	35,001,000	40,483,000	42,883,000
April	26,547,000	29,966,000	32,603,000	35,872,000	37,346,000	41,631,000
May	30,413,000	29,762,000	33,868,000	34,377,000	37,703,000	44,553,000
June	33,437,000	31,865,000	34,295,000	42,307,000	44,634,000	45,298,000
July	26,119,000	31,539,000	33,205,000	37,671,000	40,101,000	39,962,000
August	26,720,000	31,065,000	27,983,000	31,724,000	36,010,000	....
September	25,081,000	25,979,000	30,029,000	33,543,000	34,878,000	....
October	29,102,000	33,470,000	32,483,000	36,259,000	40,226,000	....
November	29,664,000	34,165,000	34,357,000	36,760,000	44,251,000	....
December	32,995,000	37,377,000	37,120,000	41,822,000	46,777,000	....

Total, 1927, seven months $286,838,000
Total, 1926, seven months 268,918,000

Increase to date 6.6% $17,920,000

*Companies having in force 84 per cent. of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

July Insurance Sales Show Summer Slump

Since June and December are undoubtedly the banner months for life insurance in Canada, the natural reaction that settles over the underwriting world in July, tends to temper somewhat, the work that has been accomplished in the first six months of the year. According to the Life Insurance Sales Research Bureau of Hartford, Conn., there was $39,962,000 of life insurance sold in Canada during the month of July, as against $45,298,000 sold during June. Last year the corresponding figures showed sales of $40,101,000 in July and $44,634,000 in June. The increase in business for the first seven months of the year amounts to about $17,920,000, or 6.6 per cent.

Evidently experience in the cities varies very greatly during the summer months. The City of Hamilton during July showed a 31 per cent. gain over the previous month, while the underwriters of Ottawa, Ont., fell of 28 per cent. below their achievements during the month of June. However, Ottawa has a good alibi in the fact that for the seven months period of 1927, it leads all Canadian cities, with a gain of 47 per cent. over the corresponding period of 1926.

The Maritimes continue their good record for the year, with both Nova Scotia and Prince Edward Island showing the greatest relative increases for the first seven months of 1927, as compared to a year ago.

Can. Metropolitan Life Announces Staff Changes

The following changes in the field are announced by the Canadian head office of the Metropolitan life:—A. L. McDougall is appointed assistant manager at Danforth, Toronto; John J. Lynch is appointed manager at Timmins, Ont.; Pierre H. Plourde is appointed assistant manager at Sherbrooke, P.Q.; Joseph Lambert is appointed assistant manager at the Ste. Hyacinthe detached section of Sherbrooke, P.Q.; N. T. Smirlaw is appointed assistant manager at Vancouver.

Public is Buying More Government Income Policies

OTTAWA:—According to an announcement made this week by the Hon. Peter Heenan, minister of labor, there has been a large increase in demand for Dominion government annuities during the past four months. During the first four months of the present fiscal year, which starts on April 1st, the amount of money invested has been over one million dollars, which is an increase of four hundred thousand over the amount invested in the same period last year.

The most popular annuity, according to Mr. Heenan, is the annuity which is purchased by paying in a small sum monthly or so much per week, which will give a life income beginning at the age of retirement, a certain number of instalments being guaranteed in any event. This plan is becoming the most popular as a means of saving for old age.

The next most popular plan is the immediate annuity system which gives a life income to the annuitant for the payment of a stated capital sum. Under this plan the annuitant will be paid a sum for life equivalent at or beyond the age of 55 years to about eight per cent. of the amount invested. The rate of interest increases according to the length of the period of survival until at the age of eighty-five the rate is nearly 27 per cent.

Group Association Holds First Canadian Meeting

About 40 representatives of nine American and five Canadian companies, attended the recent meeting of the Group Association which was held in Toronto recently. The companies represented at these meetings transact the great bulk of group insurance business written on this continent. Topics under discussion included the report of the committee on mortality investigations; report of the committee on the cost of disability benefits; settlement of death claims; and rules regarding accident and sickness insurance.

There were many opportunities afforded for discussion by small groups of members, of matters of importance to themselves, but not necessarily of general interest.

The Group Association comprises all the companies writing group insurance on this continent, and its meetings are confined to round table discussions such as this one. The meeting was the first to be held in Canada.

Montreal Water Deal Appointments Again Made

MONTREAL.—The city of Montreal and the Montreal Water & Power Co. have respectively nominated J. E. Vanier and Charles E. Fraser to act in the forthcoming expropriation proceedings. Both representatives were formerly nominated by the city and by the company to act in their interests in the arbitration proceedings which were inaugurated to determine a fair value for the property. The purchase of the property by the city was halted by the timely action of the Montreal Board of Trade.

The two representatives will appoint a third, and it is conceded that Hon. Wallace Nesbitt, who was also to have been chairman of the former board, will be appointed.

NEW INSURANCE LICENSES

The superintendent of insurance, at Ottawa, announces that the following licenses have been issued:

Federated British Insurance Co., licensed to transact sprinkler leakage insurance in addition to the class for which it is already licensed.

London Guarantee & Accident Co.—Inland transportation insurance in addition to the classes for which it is already licensed.

NORTH AMERICAN PROGRESSES

MONTREAL.—North American Lead Mines is now working a double shift. The mine is making good progress. At the present moment there are over 30 men working on this property.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
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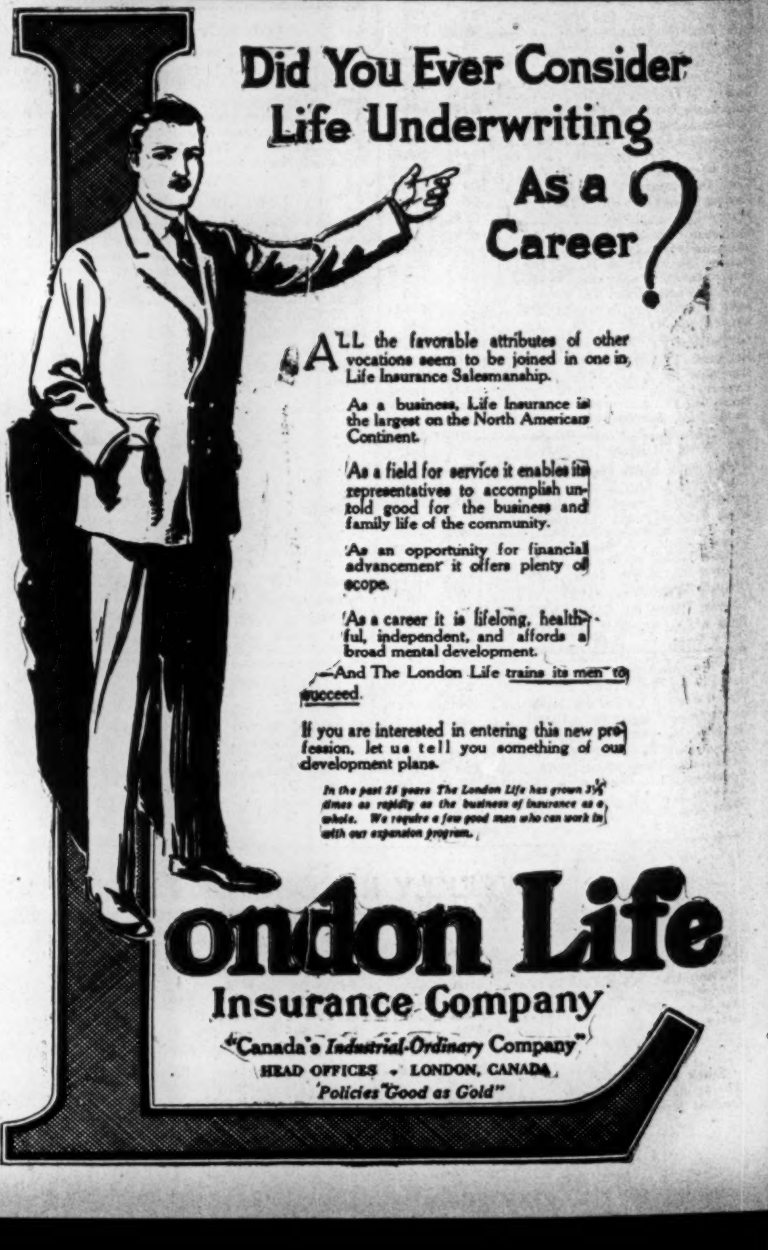

Current Events in Banking World

SMALL BANKS CAN NOT STAND ALONE IN EMERGENCIES

Many Failures Prove Weakness of U. S. System

From time to time, chiefly in the West, there is an agitation for small local banks, because it is thought that it would be easier to obtain loans from such institutions, which would, of course, be officered by local men who know the district. Branch banks, whose head offices are in the eastern cities, they say, must refer applications for advances, the managers not having the necessary authority. This is quite true, and it is a good thing for the community that it is. A bank, to many, is simply a place to borrow money, the fact that before the bank can lend, it must get the funds to make the loan, does not seem to occur to them. These funds the bank must obtain from those who have the money, and who are willing to entrust it to the bank on its assurance that it will be repaid to them on demand. It is not money, which is borrowed by the bank and loaned by it to borrowers, but credit, which the bank buys from its depositors and sells to its customers who require funds to finance their undertakings. The bank is a trader in credit and the rules of trading must govern.

Like Retail Organization

The small local bank may, therefore, be compared to the small local trader, and the branch bank to the branch share representing a big central organization with large resources and whose policy must decide that of all its branches, because it is based on the general resources and requirements of the institution as a whole.

To do this, of course, it must strictly control the loans at all its branches. No resources may be large, but gathered as they are in the share of deposits from a large variety of sources, its sales policy must necessarily be dictated by the arrangements it must make to meet the demands of its depositors.

The claims of the depositors are paramount. A bank may refuse to make a loan or permit an over-draft, or it may refuse to renew an advance. and it may not refuse to honor the demand for depositor to pay over to him the demand at the depositors. He may not even delay.

Must Have Big Reserves

For this reason, it must maintain and make cash reserves, and have its advances in such shape that there will be a constant stream of funds coming from the payment of loans. He must also so conduct its business that the profits on its trading in credit on this way will not only be sufficient to cover all expenses, provide for all bad and doubtful debts, which, like death and taxes, come to all, and pay adequate dividends to its shareholders, but at the same time provide reserves and rest funds to strengthen its position.

If it does not have adequate dividends, it will not be able to secure additional capital when required, and unless its rest and reserve funds steadily increase as evidence of its prosperity, it cannot attract deposits, without which it would be impossible to make loans. Banks operated on these lines are a source of strength to the community, in which they operate; banks operated on any other lines are a source of weakness to the districts they are supposed to serve.

Many Failures of Small Banks

This has been abundantly illustrated in many of the states to the south of the Canadian boundary, where in the six and a half years to January, 1927, there have been 3,640 bank failures, and in the calendar year 1926, the Federal Reserve Board reported 956 failures. These were chiefly banks in small places, local institutions with small capital and resources, but in the centres, in which they are operated the depositors suffered and the resulting distress is serious. Some failures were due to the collapse of the Florida land boom, as banks all over the country found themselves carrying paper, which had its origin in land deals in that district. In the Dakotas and other Western States, banks failed in many instances through apparently legitimate banking advances in connection with farming operations, cattle and grain. The prices of these fell, and, as to pay these advances by forcing the sales of the grain and the cattle would have impoverished the borrowers, laws were passed making it impossible for the banks to realize on this security, with the natural result that the depositors could not be paid. The legislators apparently did not consider that they had any rights in the matter. Now it is said that in these sections people with any money are refusing to trust the banks, preferring to carry it with them and run the risk of a hold-up, rather than take chances with the little banks in their localities.

In Des Moines, Iowa, last year, the Iowa Loan and Trust Co. failed, with $600,000 in deposits and 15,000 depositors. The institution had been in business for half a century, but investing too heavily in farm mortgages funds received on deposit in the ordinary course was too much for it, and the amount of the securities of this class, which it held, made it impossible for the other banks to avert the disaster.

Of the 956 banks which failed in 1926, some 40 per cent. had capital of less than $25,000, and many in the prairie towns had a capital of only $10.000.

Were Losing Anyway

The receiver of the failed banks in North Dakota is quoted as saying that if every one of the failed banks had operated as well as it might reasonably to expected to, it would be losing just $2,900 a year. In Nebraska, it was found that in the case of 206 banks with capital from $10,000 to $20,000, the average net profit was $677 a year.

Have Too Little Capital

With a small capital, the chances of success are poor, as, for one reason, the deposits will also be small, and the bank cannot make sufficient profit to cover the necessary overhead expense. For another, small capital means small financial backing, lack of experience and inability to raise money in an emergency. Such a bank cannot diversify its loans, and a few losses will wipe it out. From these bankers the Canadian West has been free because of the branch system, under which the lack of experience in managers has been guarded against by the oversight of the head office, and the necessity of conforming to the policy of the bank, as a whole.

Diversity of business is secured, and in the case of a few losses, which would cripple a small institution, the branch depositors do not need to worry, as the resources of a country-wide organization afford ample protection.

Staff Gossip

R. A. Glendenning has been appointed accountant at Fort William branch of Dominion Bank.

• • •

John Martin of the Standard Bank staff, Smithville, has been transferred to Wellandport.—Smithville (Ont.) Review.

• • •

S. D. Whaley has been appointed manager of the Bank of Montreal at Little Current, Ont.—Little Current Expositor.

• • •

D. McNab of Kamloops shortly will succeed Mr. Hawkins in the Bank of Montreal, Ashcroft. — Ashcroft (B. C.) Journal.

• • •

J. R. Scoby, formerly assistant western inspector, has been appointed manager at Victoria, B. C. branch of the Dominion Bank.

• • •

R. T. Dodds, who for some time has been accountant in the Canadian Bank of Commerce, Summerside, has been appointed manager of the branch at Morell.—Summerside (P. E. I.) Journal.

• • •

C. T. McConnachie, formerly accountant at Windsor, Ont., has been appointed acting manager at Wyandotte and Ouelette Branch, Dominion Bank, Windsor, and is succeeded as accountant at Windsor office by A. Ritchie.

BANK NOT FORCED TO CERTIFY CHECK; IS NOT PAYMENT

Bank Only Undertakes to Pay Cost on Demand

A recent discussion in an American case, that a bank is not bound to certify the cheque of a customer, will be of interest, as the law is the same in Canada.

The facts were that Smith gave a cheque to Jones, who presented the cheque at the bank and asked to have it certified. The bank refused, and Jones gave Smith notice of dishonor, and then entered suit, alleging that the refusal of the bank to certify was tantamount to dishonor, rendering presentment for payment unnecessary.

The court held that these facts did not give Jones a right of action against Smith. The drawer of the cheque contracts that it will pe paid on presentation, but not that it will be certified. The bank owes no duty to the drawer to certify cheques, its obligation is to honor cheques when properly presented, if the drawer has sufficient funds on deposit.

Cannot Force Acceptance

"Canadian Banking Practice," a volume issued by the Canadian Bankers' Association, has this statement in regard to acceptance of cheques.

"A bank cannot be compelled to accept or certify cheques or bills. The legal obligation is simply to have the money on demand if the customer has placed the bank in funds for the purpose."

And in answer to another question. The most that could be said would be that the bank should not refuse to certify cheques issued by its customer when there is a long established practice on its part of doing so, without reasonable notice.

In practice, the question is not likely to arise often, except possibly in the case of cheques issued against a savings bank account, and with these the bank does not contract even to honor such cheques, unless they are presented by the drawer himself and on production of his passbook.

They do honor such cheques, however, but it is in reality a favor on the bank's part and not a matter of obligation.

In this comparison could not be made with American practice, as over there, cheques against savings accounts are not permitted. If a customer wants to issue cheques he opens a current account, and either pays the regular fee charged for the accommodation or maintains a credit balance large enough to yield loanable funds sufficient to enable the bank to earn profits which will cover the cost of operating the account.

American trust companies observe the same procedure and also, like the banks, do not as a rule give credit for cheques deposited until the items have actually been certified by them.

New Bank Branch

A branch of the Bank of Nova Scotia has been opened at Sylvania, Sask.

New Bank Branch

A new branch of the Dominion Bank has been opened at Wyandotte Street and Ouelette Avenue, Windsor, Ont.

Smaller U.S. Dollar Bills Present Production Problems

Uncle Sam's new one-dollar bill is to be only two-thirds the size of the present one, but the Bureau of Printing and Engraving at Washington has found its production involves almost as much effort as changing the model of a Ford car.

The Treasury Department authorized the new-sized currency several months ago. Work on the engravings was started immediately. The bureau hopes to start printing on November 1. After the presses once start running the new bills can be turned out at the rate of 2,000,000 a day.

However, the new issue will not go into circulation immediately, as a two months' supply must be run off and placed in the Treasury reserve. The American Banker forecasts that it probably will be late in February before any of the new-sized bills find their way into cash registers.

Americans have been known as easy spenders, but to the Bureau of Printing and Engraving they also are regarded as hard spenders, for they wear out approximately 1,500,000 dollar bills every day. For this reason a large supply of one dollar bills must be kept on hand for replacements.

Production of the new bills will not require any change in the presses, but it does require a new sealing and numbering machine. The original engraving is being made by bureau craftsmen on soft steel. This will be hardened in the shape of a cylinder. Impressions from the master plate will be made on a larger flat plate of soft steel, which will be hardened and used for the actual printing.

The new dollar bill will be printed in sheets of twelve. The present type bill carries only eight on a sheet.

Half of the bureau's 5,000 workers will be employed in producing the new bill, officials estimate. Dollar bills constitute 80 per cent. of the bureau's currency production.

Last year the bureau turned out 458,135,000 bills of the dollar denomination. The novelty of the new-sized bill is expected to increase the demand to approximately 600,000,000 a year.

The new bills probably will be placed in circulation as fast as the old bills can be redeemed at the Treasury after the two months reserve supply has been printed.

Officials believe it will take nearly a year to recall the major portion of the old bills.

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VAST U.S. MARKET

In addition to supplying the Canadian market plans are now being completed to cultivate the United States field. A vast new territory is thus opened up that is capable of tremendous development with potentialities of large profits accruing to the Company. The Company's plant at Brockville also manufactures fire extinguishers, of which over 100,000 have been sold, and a number of other products including certain makes of industrial furnaces as well as a large range of fittings for the plumbing trade.

A satisfactory market has been established for the company's output in Canada during the period since 1919 and now, under the aggressive sales plan that has been mapped out, sales in Canada, to which will soon be added sales in the United States, will without doubt show steady increases.

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The Company's factories at Brockville and Ottawa are owned outright. There are no mortgages or other bonded indebtedness ahead of this issue which ranks as the first obligation and first charge on assets and dividends of the company.

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C. A. Magrath Appears to Possess Essential Merit for Conservative Leadership in House of Commons

Ontario Hydro Administrator Has Confidence of All Classes and Once Was Member at Ottawa—Dr. Manion's and G. S. Harrington's Claims Considered

By J. A. STEVENSON.

Besides R. B. Bennett, there is another exponent of the Imperialist faith whose virtues as a potential leader of the Conservative party suddenly began to receive favorable consideration in the press some weeks ago. Charles A. Magrath, the chairman of the Ontario Hydro-Electric Commission, has taken no part in active political life for sixteen years but since his defeat in the reciprocity election he has occupied a number of important offices with great ability and distinction and has acquired the reputation of being as capable and disinterested a public servant as the people of Canada can command. He has served as chairman of the Canadian section of the International Joint Commission with such acceptance that, although he tendered his resignation to Mr. King in 1921, the Liberals retained him in his post; he was an efficient coal controller during the war years and now he is chairman of the Ontario "Hydro," bearing the burden of one of the most important jobs in Canada.

C. A. MAGRATH.

Reputation is High

Although Mr. Magrath's reputation rests on his work as an administrator and negotiator he is by no means devoid of experience in politics. As Conservative member for Lethbridge in parliament of 1908-1911 he made his mark in the house of commons and, if he had not been defeated by a very narrow margin in 1911, he certainly, before many years had elapsed would have entered the Borden cabinet and would have been a probable successor to Sir Robert in the party leadership. Now he is being suggested as its occupant and he has many qualifications for the post.

No public man in Canada has a higher reputation for personal integrity and his early experience as a surveyor has taken him into many corners of the Dominion and left him with a host of personal friends and admirers. In his political and economic views he is distinctly progressive and has always been peculiarly sympathetic to reforms which would improve the lot of the farming population.

He Even Speaks French

He is also a convinced believer in the public ownership of public utilities and yet he has contrived to hold this faith without losing the confidence of our captains of finance and industry with many of whom he is on terms of close personal friendship. He also speaks French well and would command considerable support from Quebec. Last March he expounded his views on the Imperial problem in three articles to which the London Times gave a prominent place on its editorial page. These made it plain that he would go very far in the direction of a program of Imperial cooperation. Indeed he frankly stated his belief that unless some constructive program was adopted for the Empire, it could not fail to disintegrate.

Mr. Magrath has probably less real sympathy with a protectionist policy than any other of the candidates for the leadership and he would probably be disposed to try and work a policy of free trade within the Empire, provided, as he stated in his article, Britain would give up her free trade system. He would of course do his utmost for the consummation of the St. Lawrence waterway scheme and he would certainly insist upon a vigorous immigration policy.

Mr. Magrath also enjoys to a degree than none of the other aspirants can equal, the confidence of those elements in the country which are represented at Ottawa by the progress party and if after another election the King Government came back without a clear majority, they would have little hesitation in turning it out to give him a chance in the full confidence that he would treat them fairly. But it is highly doubtful if he will consent to run and although he is a much fresher and more vigorous man than Mr. Cahan, the same disability of the weight of years attaches to him.

May Seek Young Man

In the Conservative party, however, there is a substantial body of opinion which holds the view that it would be better to set aside all the experienced veterans whose records may be a handicap as well as an asset and select some young man, whose vigorous energy and lack of a political past would compensate for his dearth of experience in Federal politics and comparative obscurity.

At one time Dr. R. J. Manion, M.P., who is a very competent politician with many attractive qualities, was the favorite nominee of this school of thought, but it now seems, as if his acceptance of a place on the liquor commission of Ontario has taken him out of the running and the minds of the elements which backed him are now turning to the Hon. G. S. Harrington of Nova Scotia.

In Prime of Life

Mr. Harrington, who at the age of 43 is in the very prime of life, combines an attractive personality with an admirable war record and excellent legal abilities; as deputy minister of the overseas militia department under Sir George Perley he showed distinct gifts for administration, and as Minister of Mines in the Nova Scotia government he has given further proof of their possession. He is an excellent speaker, his political abilities are highly regarded by people who have had an opportunity of testing them, and he happens to stand peculiarly well with labor; his views on most issues are distinctly advanced and he would undoubtedly make a strong appeal to the younger generation of voters. He is, it is true, not widely known outside his own province, but this is not an insuperable handicap, and if a young leader is to be placed at the helm, he has obviously the best qualifications.

Question of a Platform

The evolution of a satisfactory party programme by the Winnipeg convention will not be a simple or easy matter, and undoubtedly the process will witness sharp divergences of opinion with a variety of cross currents coming into play. The truth is that there has in recent years been a certain lack of coherence in the programmes of the two historic parties of Canada. The Liberals have laid tremendous emphasis upon political nationalism but have professed a definite hostility to the economic nationalism embodied in the principle of local protectionism.

Now political and economic nationalism are first cousins if not twin sisters because the nationalist who wants his country to enjoy complete political autonomy, must also want it to be as economically self-sufficient as possible. Therefore, the attitude of those Quebec Liberals who are simultaneously avowed nationalists and avowed protectionists is wholly consistent and correspondingly the attitude of those western Liberals and Progressives who are at the same time devotees of political nationalism and bitter opponents of protectionism shows very little consistency.

Conservative Opportunity

On the other hand, the Conservatives have always been staunch upholders of a system of local protectionism whose first care was the maintenance of Canada's industrial fabric on as large a scale as possible, and in the political field they have professed a steady devotion to the idea that the British empire was a unified political society and that all movements and tendencies which would impair its unity must be frowned upon and resisted. The Conservatives, in short, have held the view that while the political activities of the partner communities of the empire could be advantageously pooled, each must keep its economic life in a separate compartment.

Now the political and economic destinies of a nation must follow more or less parallel courses and devotion to the imperialist political ideal is scarcely consistent with earnest advocacy of a local protectionism which sets up barriers to the full development of inter-Imperial trade.

The Conservative party has now an opportunity of bringing a proper coherence to its policy. It can turn its face in the direction of an Imperialist programme, which would commit it to wholehearted co-operation in a reorganization of the economic structure of the Empire; such a programme would entail a recasting of the party's views upon tariff questions, a vigorous immigration policy and other far-reaching departures would offer many attractions to the Western voter and would be the party's best line if it is decided that no time must be wasted on a fresh courtship of Quebec.

Baldwin is Blamed

But, curiously enough, events of the past month have greatly weakened the hands of the wing of the Conservative party which would favor such a programme and it is a strange paradox that the agent who has done the weakening is no less a person than Stanley Baldwin, Premier of Britain, and leader of the British political party which makes a devotion to the imperialistic idea the foremost item in its creed.

The adoption of a programme of Imperial co-operation by the Conservative party would have involved as a corollary a comprehensive indictment of the King Government for its lukewarmness to the idea of Imperial solidarity, its apathy about immigration, its indifference to Empire marketing schemes, etc., and very effective it could have been made.

But Mr. Baldwin comes along and provides Mr. King with a ready-made answer to any such indictment.

"I defy you to find two statesmen who pull together better for the good of the British Empire than Mackenzie King and myself," were his words in Toronto, and he gave vent to similar sentiments elsewhere. If Conservative politicians henceforth get and up and abuse Mr. King for the apathy towards the cause of Imperial unity, all he has to do is to produce Mr. Baldwin's certificate that he is a good imperialist and ask "Here Mr. Baldwin, the leading Tory imperialist in Britain is perfectly content with my policies, what are you complaining about?"

Liberals Grateful

For his exuberant eulogies of Mr. King, Mr. Baldwin has evoked becoming expressions of gratitude from the Liberal press and has doubtless won the affections of the premier himself, but he showed a strange indifference to the political fortunes of the party which he leads in Britain. It has for years been making the most of its imperialist policies and their value as an election cry would have been enormously enhanced if a great political party in the most important dominion had definitely committed itself to a programme of Imperialistic co-operation on a more comprehensive scale than has yet been assayed.

It may be that Liberal gratitude to Mr. Baldwin will yet find practical expression in a greater zeal for Imperialist policies, but such an outcome is highly problematical and the character of Mr. King's political support makes it exceedingly difficult for him to give Mr. Baldwin any real help. Now the latter has caused great offence to Conservatives by his elaborate encomiums of the Liberal leader, and has not only raised political difficulties to the Conservatives' adoption of an Imperialistic programme, but has brought the Conservative leaders to a mood of indifference about it.

They cannot be blamed for saying, "Well, if Mr. Baldwin chooses to play with Mr. King, he is free to do so, but we, too, are free to go our own road, and disregard any obligations to the imperialist party in Britain."

Accordingly, for the moment, circumstances have been playing into the hands of those Conservatives who contend that the Conservative party must be kept on a sternly conservative basis, that it must not wander away on any socalled progressive paths and that it must sternly persevere with its efforts to regain the allegiance of Quebec even at the expense of forsaking its imperialistic traditions.

Such a course might involve long exile from office, it will be argued, but in the effusion of time it would place a real Conservative ministry in power at Ottawa.

A seat on the New York stock exchange recently changed hands at $218,000. This is $4,000 under the maximum price.

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Moose Jaw School District No. 1. Issue $70,000.00; interest at 5%; repayable in twenty, equal, annual consecutive instalments of principal and interest. Bids to be submitted by 5.00 p.m., September 1st, to J. W. Sifton, Acting-Secretary, Moose Jaw, Sask.

LAKE SHORE MINES Limited

(No Personal Liability)

Dividend No. 30—Bonus No. 6

Notice is hereby given that a quarterly dividend of ten per cent., on the issued capital stock of the Company, will be paid on the 15th day of September, 1927, together with a bonus of ten per cent., to shareholders of record at the close of business on the 1st day of September, 1927.

By order of the Board.

KIRKLAND SECURITIES, LIMITED,
Secretary.

Dated at Kirkland Lake, Ontario, August 22, 1927.

Belgo Canadian Paper Company, Limited

Dividend Notice

Notice is hereby given that the following dividends have been declared for the quarter ending September 30th, 1927:—

Dividend No. 17 on the Preferred Stock: One and three-quarters per cent. (1¾%) payable on the first day of October, 1927, to shareholders of record of the 2nd day of September, 1927.

Dividend No. 12 on the common stock: One and a half per cent. (1½%) payable on the tenth day of October, 1927, to shareholders of record of the 30th of September, 1927.

By order of the Board.

G. WILFRED HODGSON,
Secretary-Treasurer.

Montreal, August 8th, 1927.

TOWAGMAC

Undoubtedly one of the most important properties in the Northwestern Quebec Mining Area. Ore bodies over great width have been definitely proven to exist as low as the 1,400-foot level, the deepest of any mine in the Camp.

Towagmac owns a one-third interest in the Alderson MacKay properties and holds an agreement to purchase the remaining treasury shares. These properties are showing up remarkably well.

With a capitalization of only 1,000,000 shares, to-day's market price places a conservative valuation on this company's holdings that should steadily appreciate with development.

We do not hesitate to recommend the purchase of these shares at present levels.

Write or telephone your orders to

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Member Montreal Mining Exchange

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BOARD ROOM FACILITIES

The Canadian Bank of Commerce

Dividend No. 162

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1927, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1927. The transfer books will not be closed.

By order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 15th July, 1927.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

East Kootenay Power Co. Limited

Dividend No. 13

A DIVIDEND of One and three-quarter per cent (1¾%) on the PREFERRED STOCK of EAST KOOTENAY POWER COMPANY LIMITED has been declared for the quarter ending August 31st, 1927, payable September 15th, 1927, to shareholders of record August 31st 1927.

By order of the Board.

L. C. HASKELL, *Secretary.*

July 22nd, 1927.

Howard Smith Paper Mills Limited

Dividend Notice on Preferred Stock

Notice is hereby given that a dividend of 2% on the Preferred Stock of the Howard Smith Paper Mills, Limited, has been declared for the quarter ending the 30th day of September, 1927, payable on the 10th day of October, 1927, to Shareholders of record at the close of business on the 30th day of September, 1927.

By order of the Board.

E. HOWARD SMITH, JR.,
Secretary.

Montreal, August 22nd, 1927.

Strong Tariff Fire Company is prepared to appoint two excepted Agents for City of Toronto, also offers Agencies in other centres in Ontario. Apply

Box 102, The Financial Post, Toronto, Ont.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of SEPTEMBER next, to Shareholders of record of 30th July, 1927.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 19th July, 1927.

Cooksville Shale Brick COMPANY, LIMITED

DIVIDEND NOTICE

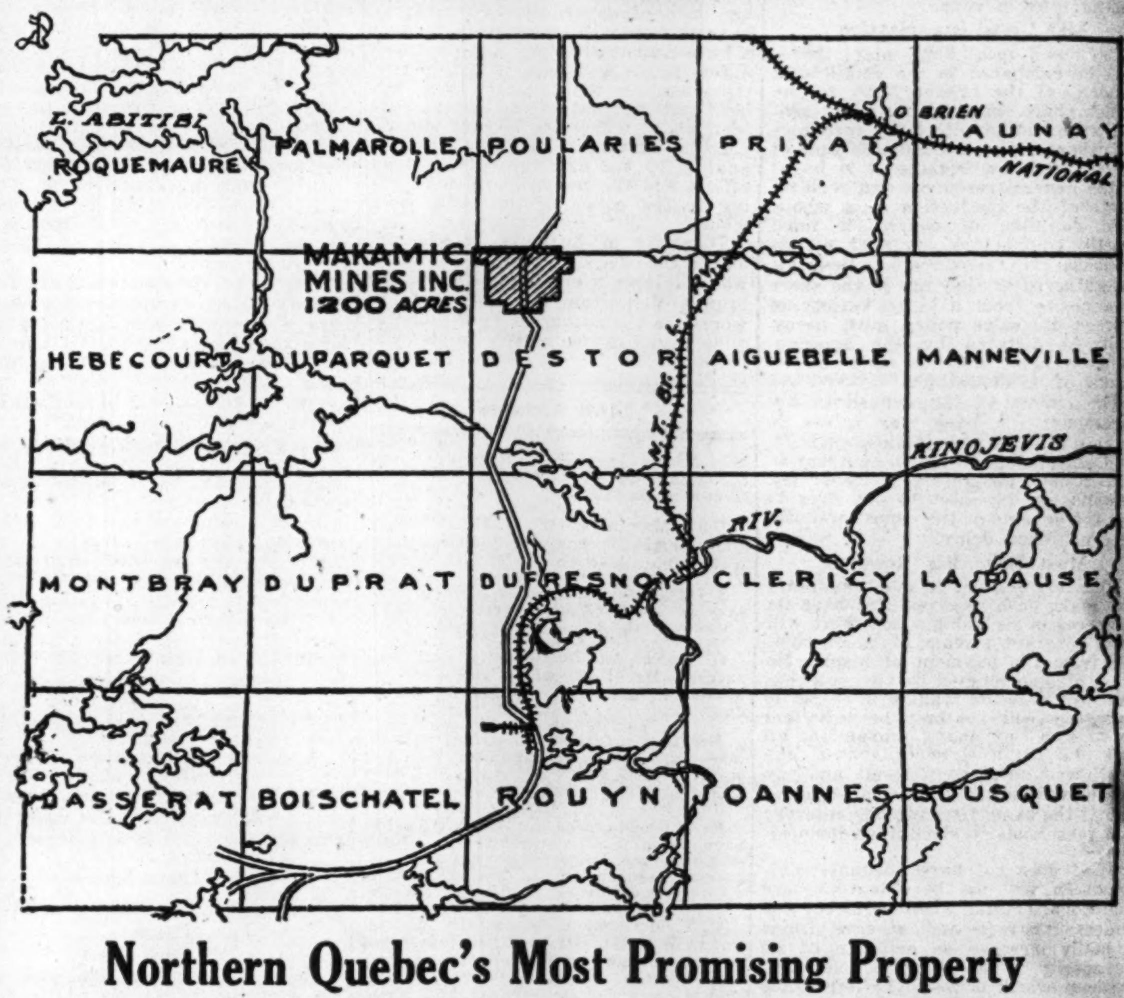
A Quarterly Dividend of One Per Cent (1%) on the Preference Shares has been declared, payable September 15th, 1927, to Shareholders of record at the close of business on August 31st, 1927.

By order of the Board.

WM. TAYLOR,
Secretary.

Montreal, Que, 22nd August, 1927.

MAKAMIC MINES INC.



Northern Quebec's Most Promising Property

OF ALL the mining properties in the course of development in Northern Quebec, the Makamic Mines, Inc., property, still in its early stage of development, has shown up as one of the most satisfactory.

Several of the proved mining successes of this district gave much less promise at their inception.

The first assay showed Makamic ore to bear 0.04% gold, 5.16% silver and 24.70% copper, or a total value per ton of $68.17. Subsequent assays have shown ore value as high as $64.00-$72.00 per ton.

The mining operations have been carried on under the supervision of Maurice Archambault, B.A., Consulting Engineer, Assayer of the Laboratory of Mines at Amos, P.Q.

The property is situated in Destor County, Abitibi District, 20 miles east of the Ontario-Quebec boundary line, 18 miles south of Makamik.

No mining venture, however good, can succeed without ample capital and efficient and economical management. On the latter score Makamic Mines, Inc., will bear the most searching investigation. Its Board of Directors is composed entirely of business men whose integrity and reliability are well known. The investor has but to visit the offices of the Company to see that none of his money goes to maintain luxurious offices, nor for extravagant expenditures of any kind. Every cent paid in by shareholders in Makamic Mines, Inc., over and above that needed for the maintenance of a small but efficient office staff and reasonable office equipment, goes into development work at the mines or into the reserve fund for future mining exploitation on its properties.

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Broker.

J. E. LANOIX
St. Hyacinthe, P.Q. - - - Director
Gentleman.

P. E. BOIVIN, M.P.
Granby, P.Q. - - - - - Director
Mayor of Granby, Manufacturer and M.P. of Shefford.

A. E. GUILLEMETTE, M.P.P.
Shawinigan Falls, P.Q. - - - Director
Ex-M.P. of St. Maurice.

ROD. TOURVILLE, M.P.P.
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President and General Manager.

J. E. LANOIX, Vice-President.
SYLVIO DECHANTIGNY, Secretary.
Ex-representative Imperial Tobacco Co. of Canada, Limited.

MAURICE ARCHAMBAULT, B.A., B.S.A.,
Amos (Abitibi), Consulting Engineer.
EDMOND COURTOIS, Licensed Accountant,
Auditor.

To the astute and careful investor Makamic Mines Inc. offers its shares with every assurance that they will reap manyfold from their investment. To all interested persons the Company will supply complete and detailed information on request. Mailing the coupon is all that is necessary.

Mining Securities Corporation

Room 303, 205 St. James Street MONTREAL, CAN.

Transfer Agents: Prudential Trust Company, 9 St. John Street, Montreal

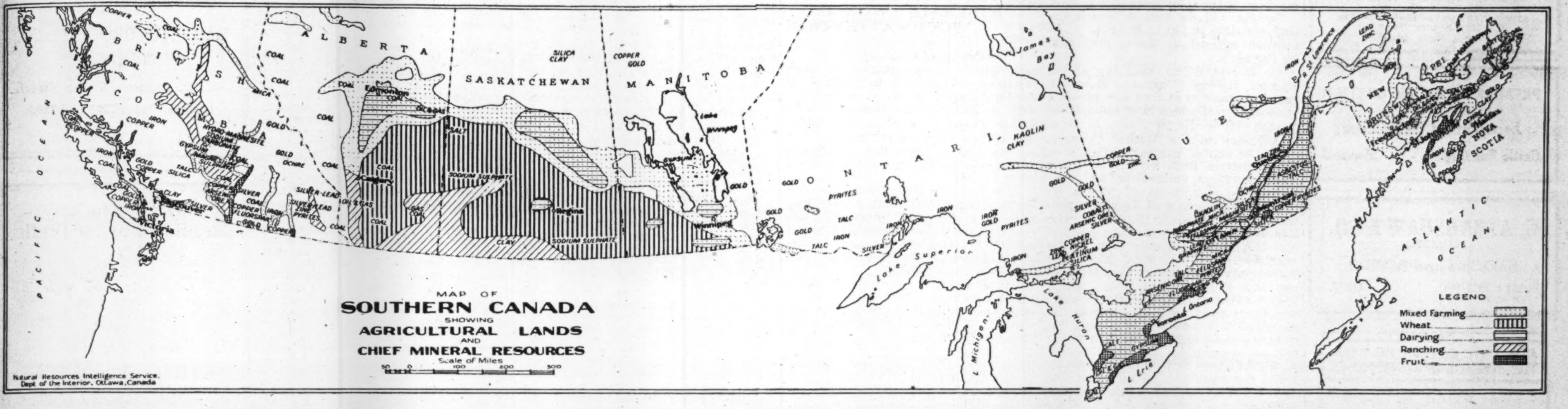
Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. 10c a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, AUGUST 26, 1927 Member of Audit Bureau of Circulations No. 34

Vast Area of Canada's Potential Mineral Lands is Graphically Shown Here



Speaking at the opening of the Empire Mining Congress at Montreal this week, Sir Robert Horne, former chancellor of the exchequer, said: "Many of us who thought of Canada chiefly as a grower of wheat and timber and fruit, have now come to realize very vividly that she is also taking a prominent place as a producer of minerals."

The above map will serve to emphasize the remarks of the noted visitor. It will be an eye-opener to many to note the small section of Canada that is wheat and fruit lands. Obviously, it is impossible to indicate the timber lands. In many cases, after the timber has been removed, it is then that the prospector gets in and gets some inkling of the mineral possibilities of the area. The unfortunate thing with vast areas of timber lands is that they have been burnt off by forest fires. There are striking instances where these forest fires were a blessing to the prospector, for having burnt off the thin overburden on the rocks, the mineral in places was standing out prominently, waiting to be found.

Survey of Empire Minerals Would Focus Attention on Canada's Dominant Position

Proposal Before Empire Mining Congress Has Great Deal of Merit—Sir Thomas Holland Outlines Reasons Back of Suggestion Which is to be Discussed at All Meetings

The first concrete proposal to be presented to the second (Triennial) Empire Mining Congress when it opened in Montreal this week was one possessing a great deal of merit. It was that a survey be made of the mineral resources of the Empire.

From the standpoint of the Empire this would be admirably good business. From the standpoint of Canada it would be equally so. It would show the strong position of the Dominion and emphasize its great potential mineral wealth. It would do much to remove the skepticism that to-day exists in the centre of the Empire, London.

Sir Thomas Holland, former director of the Geological Survey of India, delivered the address that gave birth to the idea and the definite proposal was presented after the address by two members of the Institute of Mining and Metallurgy, London, R. E. Palmer, president, and Frank Merricks, past president.

Sir Thomas Holland's address was entitled "Proposed Review of the Mineral Resources of the Empire." He said that the basic paper on the subject had come to be written "as a rough thumbnail sketch of my general impressions as the result mainly of the difficulties with which I found myself often faced during the latter half of the war in India, as the minister responsible for munitions, when the old familiar currents of trade were interrupted and diverted by submarinism and the more urgent demands of the western fields.

"I found then, and in the subsequent period of reconstruction, many unbridgeable gaps in our official information; and I assumed that, in deciding questions of policy, whether with an economic object in view or whether for the purpose of increasing military security, there must be many ministers in the Dominions who are embarrassed for want of the necessary data on which to base a policy.

"That some of our political leaders are able, nevertheless, to be absolutely definite in their assertions does not satisfy me that my own ignorance is unique. I want to express the state of mind of the average person who might be required to support or condemn a question of public policy as the result of his general experience and study.

"When we come to deal with minerals which we produce largely, but still insufficiently, and when our principal sources of production are in different, widely separated Dominions, with independent tariffs, the economic problem requires data more precise than our statemen can get from the present blue books of reference. It is mainly for this reason that some of us think that the establishment of

(Continued on page 18)

The Resolution

"That this second triennial Empire Mining and Metallurgical Congress assembled in Canada having discussed a proposal for instituting a review of the mineral resources and industries in each appropriate administrative unit throughout the Empire and of the conditions affecting their development embodied in a paper submitted under the auspices of the Institution of Mining and Metallurgy by Sir Thomas H. Holland, resolves that the proposal be referred to the Empire Council of Mining and Metallurgical Institutions to be transmitted to the constituent bodies for consideration with a request that they will formulate their views and communicate them to the Empire Council for further action."

On July 29, "The Post" Indicated Central Man. Mines Had Good News

Central Manitoba Mine shares sold up to $2 per share this week. News of a new discovery brought heavy buying from Winnipeg.

On July 29, The Financial Post intimated to its readers that something important in the way of new development was coming when it said:

"Mr. Miles intimated that there might be some important development news come out at the directors meeting and details of the plans for the future operation and exploration effort will also be decided."

No official announcement has been made, but the suspicion is that the operators on Central Manitoba have discovered a parallel break, which gives indication of values and size comparable to the break already developed. It is likely that diamond drilling will be recommended.

Bonus on Lake Shore

Lake Shore has announced that the usual quarterly dividend of 10 per cent. will be accompanied by a 10 per cent. bonus to shareholders of record Sept. 1. It will be paid Sept. 15.

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LAVAL PICKS UP ABANA ORE BODY

Diamond Drill Following Electrical Survey Cuts Ore—Details Not Available Yet

Laval Quebec, operating the property adjoining Abana Mines on the East in Desmeloizes Twp., Quebec, north of the Transcontinental Railway, and near the Ontario boundary, has picked up what is evidently an extension of the Abana ore body.

Laval has gone ahead quietly on the matter. Having acquired the claims, the company immediately contracted for an electrical survey by The Radiore Electrical System.

It is officially announced that in the first week of their effort they encountered four distinct zones of mineralization on the first claims next to Abana, bodies running from 175 to 225 feet long and the first diamond drill hole has proven their findings.

No details of the size of the body are as yet available or the depth at which the drills encountered it, but these are expected to be forthcoming shortly.

Laval shares this week reflected the news. Selling up sharply to 55 and then easing somewhat. Abana shares are seemingly scarce above $3.

HOLLINGER'S SHAFT IN KAMISKOTIA IS BEING SUNK IN ORE

The Company Has Carefully Guarded Facts, But Signs Are Encouraging

In your Hollinger articles in recent issues, you have said little of Kamiskotia. Are there any facts available?

The above inquiry reached The Post during the past week. It is an evidence of the close scrutiny shareholders are giving stories regarding Hollinger.

The company has carefully guarded all information about its Kamiskotia operations. Our information is that the diamond drill cores were taken to Montreal for assay, instead of following the usual practice of having them assayed at the mill at Timmins. Another evidence of the efforts to guard the facts, is that the mineralogist in charge of the Kamiskotia drilling, when drawing cores, stood on the hill and flashed the results of his examination in code to a watcher on the roof of the Hollinger office at Timmins. No one was trusted to convey the information.

But some things may be taken to indicate the trend of events. For instance, all payments due prospectors are reported to have been met promptly and additional ground has been acquired from time to time. Hollinger is reported to have about 108 claims in all. This is perhaps to proceed on the strike and dip of ore bodies until their trend is definitely known. Heavy overburden makes this difficult to define until they get it opened underground.

Canadian Mining and Metallurgical Bulletin, the official publication of the Canadian Institute of Mining and Metallurgy, which is pretty close to engineers and technical men, in the August bulletin gives some facts on Kamiskotia that are illuminating and are to be accepted as authoritative:

Steady progress is being made in the lowering of costs. Last year these were $3.94 per ton and it is said they have now been reduced to around $3.50 with a possibility of $3.00 in the near future.

In the Hollinger Company's Kamiskotia holdings, shaft sinking is now under way on claim 12,339. As this shaft is being put down in ore, showings at present are rather spectacular and should continue to be so at least until a depth of 250 feet has been reached, which was the deepest point reached by diamond drilling. The Schlumberger electrical survey is under way in the property.

JAY COPPER VEIN CUT AT 400-FT.

Company Expects it Will Show a Greater Width—Will Continue Sinking

Jay Copper officially announces that it has cut the ore body on 400-ft. level. The news reached the company's Montreal office in a wire from the superintendent of the mine at Amos. He states that the No. 1 vein was cut at the 400-ft. level and the grade of ore is as good as that encountered at the 200 and 325 foot levels. The vein at the 325 foot level was ten feet wide and as the vein has been widening consistently with depth the company confidently expected that the vein at 400 feet should be wider than at the upper levels. After determining the width of the vein it is proposed to immediately recommence sinking to the 500 foot level, at which level extensive lateral development work is to be undertaken and a cross-cut driven to open up the No. 2 and No. 3 veins—the latter having had a width of 25 to 30 feet on the surface.

Harvie Co. Cuts 25 ft. Solid Ore

Twenty-five feet of solid ore has been cut on the 125-ft. level in the west drift on the main Harvie Exploration operation in Quebec. The ore is zinc and copper and reported by engineers to be of excellent grade.

It has been known for some days that excellent news was pending in regard this operation, but so far official statements have been withheld. The company has been meeting with some excellent success and the report that a public statement on the recent independent engineering examination of the company's workings would soon be forthcoming, has aroused considerable interest.

HIGH VALUES ON BUSH CONS. GROUP

Thirty Test Pits Cut Ore, Some with Free Gold — Smelters After Big Missouri

J. P. Kendall, Toronto, with his engineer has spent the week examining Bush Consolidated holdings. On the north group they have five clear distinct veins running parallel to each other. Thirty open cuts have been made in these and all cut into ore, some of which carry free gold. Three samples gave the following assay: $70, $83 and $91. Diamond drilling has cut fifteen feet of ore in a new hole. No assays have been made as yet.

Bush Consolidated has the largest phorphyry outcrop found on any property in the Portland Canal district, and some of the showings are very spectacular. G. R. Bancroft, manager, Supt. Irwin, and Pres. O. B. Bush are positive they have a big mine.

Consolidated Smelters have finished examining the big Missouri mine which lies to the north of Bush Consolidated and are at present in conference with company officials in Tacoma, Wash., to make a deal. This means a road, smelter and a mill for this property, which is accepted by all mining men as a large proven mine. Everyone in the camp is confident Smelters will close the deal.

Active Market in Mine Shares at Vancouver

VANCOUVER, B.C. — The market this week has been exceedingly active with Premier, Ruth Hope and British Petroleum predominating. Premier opened at $2.27, sold up to $2.33, closing $2.29 to $2.32. Ruth Hope opened at 29½, sold up to 31, closing 29½ to 31. British Pete opened at 9, high 10½ and closed 9½ to 9⅞. Porter Idaho, 21½; Dunwell opened at 75 and sold down to 60, closing 60 to 66.

Canada's Copper With That of Africa May Dominate Market as U.S. Does To-day

Sessions of Mining Congress in Canada

The scheduled meetings and technical sessions of the Empire Mining Congress are as follows:

Montreal, P.Q., August 22nd and 23rd.

Toronto, Ont., August 25th and 26th.

Winnipeg, Man., September 3rd and 4th.

Quebec, P. Q., September 5th and 26th.

Sydney, N.S., September 9th and 10th.

St. John's, Nfld., September 12th—14th.

Vancouver, B.C., September 15th and 16th.

Edmonton, Alta., September 20th.

Sir Robert Horne Says Empire Independent in Time of Crisis for Metals Except for Copper

"Except for copper, the British Empire would be nearly, if not entirely, independent in time of crisis."

The above assertion was made this week at the Empire Mining Congress, Montreal, by Sir Robert Horne. It comes right after Pres. J. Y. Murdock, of Noranda Mines, had announced that his company had made a contract with a British firm for its entire output.

Sir Robert was discussing The Empire's mineral position to-day compared with 1914 when it was dangerously dependent upon outside sources for naked ores.

Leaving out consideration of precious metals, gold and silver, of which we produce 71 per cent. and 15.7 per cent. respectively of the world's output—our production of lead and zinc is greater than our consumption, while in the cases of tin and nickel, we have a very large surplus which goes to supply the needs of the rest of the world.

Copper Production

Even in copper, we succeed in producing approximately 50 per cent. of our requirements; and the time is perhaps not far distant when the increasing developments of copper-mining in South Africa and Canada may place us in a more independent position. This is indeed devoutly to be desired for our own inadequate supplies, combined with the operations of the international cartel tend to put the British consumer at a disadvantage, especially as regards the price which he is compelled to pay for his materials.

Reversal of History

This situation betokens a curious reversal of history. Copper, indeed, is an example of the startling changes which take place, both in the world's needs and the sources from which the demand is met. Its most striking historical feature is that the main source of the raw material has changed from country to country, bringing wealth to each in turn. The pride of place for output of copper, which in the earlier part of last century, was held by Great Britain, now rests with the United States, which to-day is by far the greatest source of the world's supply. Before the war a million tons was all that was needed by the world. Since then expansion in use has raised the demand by 50 per cent., and to-day the copper output is about 1½ million tons per annum.

Canada's Chance

There is no reason to suppose that this demand will not still further increase and the fields of the Empire in South Africa and Canada should inevitably be called upon to supplement the supplies of the United States. If all is true which we are told with regard to indications in Rhodesia, we may look for great additions from that region. We must all hope that, looking to our necessities, these promised augmentations of copper from the Empire may come betimes.

"In contrast to our present copper position there are, as I have previously indicated, certain metals with regard to which the rest of the world

(Continued on page 20)

NO COUNTRY KEPT PACE WITH CANADA IN MINE PROGRESS

Sir Robert Horne Shows intimate Knowledge of Dominion's Mineral Progress

Sir Robert Horne, chairman of the Mining Congress at Montreal, and former British Chancellor, showed that some London authorities have an excellent grasp of Canada's mineral development. He said there is no country in which such rapid progress has been made during the last twenty years in the development of mining and in the production of important metals. Gold, silver, nickel, copper, lead, zinc, cobalt as well as coal, asbestos and other non-metallic minerals are produced from her mines. Since 1886 the value of her mineral output amounts in the aggregate to 4,013 million dollars. In 1926 her production reached the figure of 242 million dollars, being 37 per cent. greater than it was ten years before; 206 per cent. in excess of what it was 20 years ago, and 832 per cent. beyond the figure of 30 years ago. More than one-quarter of the total of Canada's capital investment and more than one-quarter of her employes are at work in it. Many of us who thought of Canada chiefly as a grower of wheat and timber and fruit have now come to realize very vividly that she is also taking a prominent place as a producer of minerals.

Statistics Striking

"If you consider the position which she now occupies with regard to individual metals the statistics are even more striking. Although the Canadian population represents only one-half of one per cent. of the population of the world. Canada is now in the third place amongst the countries of the earth in the production of gold, and she is likely soon to be in the second. **The Hollinger mine, which** treats daily 5,500 tons of ore, competes in output with the greatest gold producer in the world. Ninety per cent. of the world's nickel comes from

(Continued on page 19)

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Britain's Solution of Coal Situation May Work Out to Be That of Canada's Also

Sir Robert Horne Says the Mother Country Must Look to Coal to Retrieve Position

Canada has a coal problem. How to utilize the tremendous deposits which the country possesses, but which are unfortunately situated in regard markets, is the solution that is sought.

Canada will do well to watch the coal situation in Great Britain. The solution arrived at there, may also be Canada's.

Sir Robert Horne, speaking at the Empire Mining Congress, Montreal, said the question of coal is a problem the solution of which is of importance to the whole Empire, but of vital significance to the Mother Country.

At the end of the exhausting war, Great Britain finds herself burdened with enormous obligations and confronted by conditions of unemployment which might well depress a people less stout-hearted than those who live within her shores. For comfort and inspiration we may look to the example of those who, after the Napoleonic wars, had to face troubles not less grevious than those which to-day afflict us. They went through dire times and they emerged from the struggle in a position of almost incomparable strength in relation to the rest of the world. The main source of their success and of the prosperity which characterized the Victorian Era was the discovery of steam and the exploitation of our coal fields. This was a new situation of which our forefathers took advantage and, by its means, Britain made a new start in the world and maintained the lead which she then obtained down to the end of last century.

Must Look to Coal

"In the position in which we find ourselves to-day, where can we turn for some new factor which will lead us forth from the midst of our present difficulties and restore our previous prosperity? In what region of science or industry is the new magic to be found which will fortify our fortunes and renew our comfort? I myself believe that, just as it was a hundred years ago, so again to-day we must look in the main to coal to retrieve our position. It lies about us in our land in greater amounts and in positions more accessible to our industrial centres than in most other countries, and if only the efforts of scientific investigators were at least to become completely fruitful in getting rid of waste in the employment of coal and in adapting all its elements to proper use, it would appear to be obvious that a vast new source of saving would be opened up to us and that cheaper power might make an appreciable difference in the cost at which we could sell our manufactures.

How Coal is Wasted

"When you come to look at the way in which we use the coal which we retain at home you find that out of a round figure of 180 million tons only one-fifth is employed in a fashion which gives to us the added benefit of such important bye-products as tar, benzol and ammonia. The remainder is consumed in a raw condition, with, as is universally admitted, a deplorable waste of valuable material — as much as three million tons of potential fuel escaping into the atmosphere in the form of soot. The attempt to solve this vital problem on practical and commercial lines has, as you know, been engaging the attention of some of the best brains in this department of science for several years."

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SURVEY OF EMPIRE MINERALS WOULD FOCUS ATTENTION

(Continued from page 17)

committees of specialists in each Dominion will be able to produce for our statesmen, in their competition with politicians, the necessary data for anticipating and even controlling the streams of products that now flow out when they might flow within our widely scattered fragments of Imperial territory.

"The Imperial conference of Dominion representatives went a long way towards a desire to understand one another, but a mere understanding is not likely to lead to practical results of commercial value unless based on reliable economic data.

"Of all the raw materials on which our industries are dependent, it is obvious that minerals are the most important; they exist in limited quantities, and they can be used once and once only in the history of every country. When they are finished, civilization such as we know it now will come to an end.

"The British Empire is more nearly self-contained for minerals than any other national unit. But that at present is merely on paper, for our Dominions are economically independent. There is a general desire to adjust our relationship so as to make this independence real, but the process of adjustment, to be sound and lasting, must be based on far more information than our statesmen possess or can obtain through purely official channels of information.

"This congress is in advisory control of mining and metallurgical institutions which can supply the information that is wanted, and it will serve the public interest and its own if it inspires its constituents to look at our mineral problems, not merely as sources of local dividends, but as essential contributions to Imperial progress, and, if necessary, Imperial security.

Petroleum Vitally Important

"Petroleum is now, more than ever, a mineral of vital importance. It is one of those in which our refining capacity is about double of our output of raw material. Petroleum products at present come from crude mineral oil, of which the Empire turns out only three of the eleven million tons which we consume annually.

"Whilst crude oil is now our only source, and with a future possibly limited to a generation or two, its position may become challenged any day by ability to translate into commercial practice any of the methods by which, on a laboratory scale, it is now possible to turn solid hydro carbons into liquid and gaseous forms as mobile sources of power.

"Thus, petroleum is a substance of special international importance. Our present dependence on foreign sources for crude oil may be completely reversed in the near future. It is a situation that especially needs watching by technical specialists who are in a position to anticipate this possible re-casting of the economic equation.

"To obtain an idea of the Empire as a whole we must first be precise about the resources and the interests of each administrative unit. The Dominion committees, if formed, will naturally have in view the immediate interests of their own Dominions. The question of adjusting these to a common Imperial end will follow in due course, but will never be possible at all so long as we have but vague ideas regarding the natural resources and smelting capacities of the Dominions. Crude totals of items from parts as widely separated as Australia and Cornwall are of no practical value to anyone but the journalist."

Still Have Hopes on Group Near the Waite

Shareholders were told at the annual meeting of Duprat Mines at Quebec City that the company has not abandoned the idea of developing its properties adjoining Waite-Montgomery and Amulet. The management still has big hopes as to the results from the properties but they feel that with the additional properties that they have acquired in Montbray and Kamiskotia that they will have an extra opportunity. Liquid assets total $75,000 cash and there are now 2,500,000 shares in the treasury.

Results from surface work so far on the properties in Montbray have been satisfactory. They disclosed a large belt of disseminated copper mineralization and further work is in hand. The company has not as yet undertaken active development on its Kamiskotia properties. Recent activity and results obtained in Amulet has focused considerable new attention on the Duprat properties adjoining and it is believed that as Amulet and the other properties adjoining prove themselves up Duprat has a chance of picking up the continuation of the orebodies as they are situated where either group should encounter the continuation if it follows as is believed, the diabase intrusion.

GOOD BIDGOOD RESULTS

Good results are reported in testing out some of the old Bidgood workings on the 300 and 400-ft. level. Slashes into the walls where the vein has apparently faulted revealed some good ore.

RE-OPEN DORRIEN MINES

MONTREAL.—It is reported that work has re-commenced on the Dorrien Mines. The tunnel now extends 128 feet. Men are now engaged in re-timbering the shaft. At the present time 26 men are employed on this development.

ENGINEER'S REPORT REVEALS MUCH ON WOMAN LAKE AREA

Ontario Woman Lake Co. Taking Diamond Drill into Property

An interesting report made public this week is that of Ontario Woman Lake. The report follows a careful examination by the company's engineer, T. Trevaille Williams. More than ordinary significance attaches to it, inasmuch as it is the first exhaustive report that has been made public on any property in this new area, and it gives a pretty fair knowledge of the formation of the district. Pres. M. C. Cowan states that in view of the satisfactory report made a diamond drilling campaign will be started at a very early date, or as soon as it is possible to secure a drill.

It is since announced that a drill is on its way in from the Jackson-Manion group.

The report reads:

"Your company has been carrying on for over a year a vigorous surface campaign of development of the properties situated at the portage between Woman and Narrow Lake, which consists of five claims. One of these claims just recently staked is a triangular piece of ground, mostly in the lake, which may be of considerable value to us later on. On the four claims at the south end of Woman Lake and known as Medicine Rock we have been unable to do any surface work, but have complied with the Mining Act of the Province by having the claims surveyed and they are in good standing. Some time ago the directors decided that it was time a report of the properties was secured from an engineer, and with this end in view, the writer secured the service of Mr. T. Trevaille-Williams, M.I.N. & M.E., an engineer of outstanding ability and long experience in Africa, India, China and Canada, and after a visit to the property with the writer, where we spent some ten days, the following report has been submitted:

"In company with Mr. Cowan I made an examination of the mining claims of the Ontario-Woman Lake Gold Mines Ltd., and also of some other claims in the district of Woman Lake, Patricia. The time at my disposal was not sufficient to enable me to map the different rock formations exposed.

"Claims K 1919, 1920, 1921 and 1922 situated at the portage between Woman Lake and Narrow Lake were examined more closely than any of the others, most of the work such as trenching, stripping, etc., has been done on these claims, especially on claim 1922.

"Striking across the general formation there are three prominent veins; these veins run parallel with each other having a strike N 15 degs. E.

No. 1 is a quartz vein from 10 to 30 ft. wide showing considerable galena also sphalerite, chalcopyrite, iron pyrite, etc. The gold content is not high on the surface but its nature is such that commercial values may be found in depth. This vein has been traced for about 1,800 ft. To the east it runs in to Woman Lake and to the west under the muskeg.

"No. 2 vein is more of the nature of a quartz porphyry, that is to say there are parallel stringers of quartz running at right angles to its strike for the entire length of the vein. On the east the vein is 18 inches wide, it widens out as it goes west to five or seven feet. This vein has been traced for fully 3,000 ft. and quite 2,000 ft. has been stripped, the dip is apparently vertical.

"It was stated that free gold has been found in this vein in several places. The mineralization consists of chalcopyrite, sphalerite and iron pyrite with a rusty weathered carbonate. Considering its lateral extent and mineralization it holds out promise in depth.

No. 3. This vein strikes practically E.W., its dip is vertical as far as one can see at present; not enough work has been done to determine this accurately; the width of the vein is from four to five feet. The quartz in this vein is blue, it is highly mineralized, containing considerable chalcopyrite and fine iron pyrites. I took samples from this vein which showed from three to four dollars in the pan.

"I consider the prospects on this vein most promising and well worthy exploration.

Claims 1971, 1972, 1973 and 1974 are about six miles south of the claims just described, they are situated in Woman Lake. Only about 100 square feet of surface was showing above water line at the time of my visit. I was given to understand that the water is exceptionally high throughout the district this year, owing to heavy rains. In normal times the island is about 30 ft. by 100 ft. The remainder of these claims is under water. That part above water at my visit was practically a mass of solid iron pyrite. I was informed that gold could be panned from almost any sample taken and some samples taken assayed high in gold. It certainly looks that something worth while would be found here. The only thing to be done to test these claims is to drill during the freeze up. It might be stated that these claims lie a little to the S.W. of the Jackson Manion, therefore well located and worthy of testing.

"I have not thought it advisable to give anything like a full description of the geology of any of the claims visited. In any case it would be difficult to do this without first having slides made from the various rocks. Dr. Bruce, of the Ontario Geological Department, is now in this field and doubtless he will give us a very full description of the different rock formations in due course. I consider the claims held by the company of sufficient merit to warrant further testing by the use of diamond drills, whereby the different veins now stripped and trenched can be tested out in depth. The geological conditions are excellent.

"I have mapped out a drilling campaign which I consider will be sufficient to test at depth all the veins now exposed.

"As stated above three very promising veins have been discovered and stripped, although no systematic sampling has been done, sufficient has been shown to lead one to further effort to find out what there is in depth. Many of the leading mines showed anything but promising results on surface, it was only in depth that they proved to be mines. Mines have all been prospects in their early stages, it was only development that made them mines. It also took a lot of money to do this. Men with courage and I might add faith and patience, were willing to put up the money to develop these prospects. These are the people who have won in the past, and these are the ones who will win in the future at Woman Lake.

I consider the district as a whole a very promising one. The cost of transportation is at present the greatest difficulty, but this will be overcome as soon as the district warrants it, and it looks as if that warrant will be at no distant date, as many of the prospects have already the ear marks of mines.

From what I saw I consider you have a prospect well worthy of the proposed work.

ELECTRIC SURVEY ON MAKAMIC

Development work on Makamic Mines shows encouraging results. The company has decided to institute an electrical survey in order to locate the contact of the different intrusives of granodiorite, diabase, diorite and of the various porphyries.

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VALUE OF CANADA'S ASBESTOS OUTPUT HIGHER LAST YEAR

Capital Employed by Producing Firms in Dominion Totals $34,905,096

Asbestos production in Canada during 1926 reached the grand total of 279,403 tons with a valuation of $10,099,423, according to finally revised statistics just issued by the Mining, Metallurgical and Chemical Branch of the Dominion Bureau of Statistics at Ottawa. In 1925, the shipments (exclusive of the by-product sand and gravel) amounted to 273,524 tons at $8,977,546. The average value received by the operators in 1926 was $36.15 per ton as compared with $32.82 per ton in the preceding year.

Asbestos rock mined during the year totaled 4,483,375 tons, of which quantity 4,002,626 tons were handled by the mills.

Exports of asbestos (including sand and waste) in 1926, totalled 277,991 tons, or 19,974 tons in excess of the tonnage exported in 1925. Shipments to Great Britain amounted to 9,304 tons, to the United States 224,334 tons, and to Germany 14,193 tons. Exportations of asbestos to Australia, Belgium and France increased materially.

Production of asbestos in South Africa and Cyprus increased in 1926, the former country shipping 14,096 tons and the latter, 6,941 tons. The Rhodesian output declined from 34,349 tons in 1925 to 33,344 tons in 1926. Mine operators in the United States shipped 1,358 tons during the year under review.

In the asbestos mining industry in Canada in 1926 the capital employed by the eight producing firms was reported at $34,905,096. Employment was furnished 141 salaried employees, 1,521 mine workers and 1,135 mill workers; their combined earnings amounted to $3,544,097. A ten hour day was usual throughout most of the field. Fuel and electricity cost $1,012,232, including $600,860 for 64,462,880 kilowatt hours of electricity. The 409 electric motors in use during the year had a total rating of 28,133 h.p.

Eight plants in Canada manufacture asbestos products including the following commodities: asbestos paper and mill board; asbestos roofing of all kinds; asbestos rigid shingles, asbestos building materials, asbestos cellular, and sponge-felted pipe insulation, insulating sheets and blocks; asbestos brake linings and clutch facings (woven on special looms); and asbestos packings for steam, oil and hydraulic operations.

Output and Shipments of Canadian Asbestos in 1926

Classification	Total Output Tons	Quantity Tons	Total Sales Value at Mill $	Average Value per ton $
Crude No. 1	842	1,108	410,373	370.37
Crude No. 2	2,952	3,494	802,304	229.62
Other crudes	328	446	92,394	207.16
Spinning stocks	13,839	15,182	1,885,835	124.22
Shingle stocks	39,678	36,497	2,139,780	58.63
Mill board and paper stocks	101,293	86,746	2,940,675	33.90
Fillers, floats and other short fibres	141,272	135,930	1,828,062	13.45
Total	300,204	279,403	10,099,423	36.15
Sand and gravel (x)	15,672	15,672	10,257	0.65
Grand Total	315,876	295,075	10,109,680	....

(x) In 1926, this production has been included under the Sand and Gravel Industry.

Imports Into Canada and Exports of Asbestos in 1926

	Tons	Value $
Imports—		
Asbestos in any form other than crude, and all manufactures of, n.o.p..	......	472,513
Asbestos packing	93	93,122
Total	....	565,635
Exports—		
Asbestos	141,760	8,669,810
Asbestos sand and waste	136,231	1,992,480
Asbestos manufactures, including asbestos roofing	......	43,011
Total	......	10,705,301

Principal Statistics of the Asbestos Industry in Canada, 1925 and 1926

	1925	1926
No of firms	14	8
Capital employed	$38,133,046	$34,905,096
Number of employees:		
On salary	117	141
On wages	2,465	2,656
Total	2,582	2,797
Salaries and wages:		
Salaries	$280,085	$328,813
Wages	$2,717,022	$3,215,284
Total	$2,997,107	$3,544,097
Cost of fuel and electricity	$923,239	$1,012,232
Selling value of products	$8,988,360	$10,109,680

NO COUNTRY KEPT PACE WITH CANADA IN MINE PROGRESS

(Continued from page 17)

Canada, and eighty per cent. of the asbestos. In cobalt her output is fifty-five per cent. of the world's total; while her production of lead amounts to 8.7 per cent. and of copper to 4 per cent. of the output of the world. From the Sullivan mine alone—one of the greatest lead and zinc deposits of the globe—over one million tons of ore were taken in 1926.

Only on the Edge

"These are remarkable figures but they become still more encouraging when one appreciates the fact that Canada is even now only at the edge of her discoveries. Although eighty per cent. of her area is still unprospected her known mineral reserves are of immense quantity; and who knows how soon modern methods of prospecting from the air or by electrical instruments will reveal the wealth which lies hidden within the Canadian pre-Cambrian shield? In no part of the world can there be found to-day regions of so vast extent so full of promise of mineral wealth as those belts of territory which are gradually being opened up in Ontario and Quebec. The steady growth in the rate of Canada's advancement in the mining industry is sufficient to create an overwhelming confidence in her future. Indeed there is no one who has studied the subject, even superficially, who does not feel assured as to the important developments which lie ahead of her."

BETTER GRADE ORE TO ARGONAUT MILL

Drive on 1,250-ft. Level Should Reach Objective by End of Month

Conditions at Argonaut Consolidated property are reported to be getting better every day. The ore the mill is drawing from the 1,125 and the 1,000 foot levels is of higher value than for some time past. It is better in gold and copper. Vein 1,105 which is the downward continuation of 1,018 is running rich in both gold and copper and the returns from the plates as well as from the concentrates are increasing very substantially.

Drift 1,253 on the 1,250 foot level is well on its way now towards the downward continuation of 1,014. It is working in promising territory already. The management hopes it will pick up an ore body before the end of the month. The engineers are very optimistic about this work. The 1,014 was a big body and is expected to improve at depth.

SIX MOS. MINERAL OUTPUT IS ABOVE LAST YEAR'S TOTAL

Tables Suffer Somewhat From Change in Method of Compilation

	6 mos. 1927	6 mos. 1926
Metals	$56,468.412	$61,249,482
Fuels	35,087,080	
Non-metals	7,482,322	37,146,306
	$99,037,814	$98,395,788

Continuing the progress made in 1926 when the mineral output of Canada reached a new high record value of $240,437,123, production of metals and non-metals in the first half of 1927 registered a further advance, according to the report presented to the Empire Mining Congress by S. J. Cook, Chief of the Mining, Metallurgical and Chemical Branch of the Dominion Bureau of Statistics. The report further states that while the output of gold during the half-year was slightly less than during the first six months of 1926, the production figures for all other metals were higher than they were in the corresponding period of the preceding year. Slightly lower prices reduced the values in a few instances. Production of arsenic, cobalt, copper, lead, nickel, platinum metals, silver and zinc showed definite improvement.

In the half-year ended June 30, 1927, the value of the metals was $56,468,412, as compared with a total for the first half of 1926 amounting to $61,249,482, a loss of 7.8 per cent., but the loss was more apparent than real, due to the adoption this year of somewhat more conservative methods of computing values. Fuels at $35,087,080 during the half-year showed an advance of 16 per cent. in their aggregate value in comparison with the corresponding period of 1926. Other non-metals valued at $7,482,322 showed an improvement of 8.3 per cent. over the total for the first half or 1926. Including fuels, the value of the non-metals produced in the first half of 1927 was $42,569,402, an advance of 14.6 per cent. over the total of $37,146,306 reported in the first half of 1926.

Advances among the non-metallic minerals were general throughout the list. Production during the half-year in comparison with the totals for the corresponding period of 1926 showed gains of 20.6 per cent. in the tonnage of coal produced, 13.4 per cent. more natural gas, 40.5 per cent. more crude petroleum, 21.2 per cent. advance in feldspar, 32.6 per cent. more gypsum and 55.9 per cent. more quartz. Greater outputs were also recorded in the cases of bituminous sands, magnesite, mica, pyrites and sodium sulphate. There was a loss of 6.7 per cent. in the tonnage of asbestos produced in the half-year in comparison with the totals for the first half of 1926, but the tonnage of 123,730 valued at $4,685,706 was not less than half of the 279,403 tons valued at $10,099,423 produced during the calendar year 1926. While the tonnages both in the half-year and in the preceding calendar year were slightly less than the corresponding figures for the immediately preceding period the values in both cases were greater. In the half-year the value of the asbestos output showed an improvement of 3.8 per cent. over the total for the first half of 1926 and in the calendar year 1926 the value showed a gain of 12.3 per cent. over the totals for the calendar year 1925.

Graphite which showed a gain in 1926 of 6.1 per cent. in tonnage and 22.7 per cent. in value over the figures for the preceding calendar year dropped slightly behind this rate of production in the first half of 1927. Barytes, iron oxides, salt, sodium carbonate, talc and soapstone, while produced in fair tonnages during the half-year were not produced in quite as great amounts as during the first half of 1926.

GOOD ORE ON McDOUGALL

At the No. 1 shaft of the McDougall Mines, Limited, N.W. Quebec, superintendent reports that the drift west on the 100-ft. level has run into several feet of very good ore.

MINING STOCK QUOTATIONS
Week Ending Aug. 23

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Aug. 23	Sales for wk.	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low
Abana	1	....	....	4.05	3.00	4.05	55870	....	....	4.00	.20
Aconda	1	....	....	22	16	19¼	19300	....	....	45	14½
Allied M.	1	....	....	....	....	....	....	....	....	5.51	2.70
Al. C.M.	.	....	....	....	....	....	....	....	....	4.59	3.01
Amos	.	....	....	....	....	....	....	....	....	56	15
Amulet	1	....	....	5.45	4.19	4.90	674695	2.89	.90	5.45	.85
Algonquin	1	....	....	2½	2	2½	7000	6¼	1¼	5¼	2
Apex	1	....	....	2	1¼	1¼	3000	6	2¼	3½	1
Area	1	....	....	1.00	.66	.76	1068372	1.55	.21	1.95	.25
Argo. Con.	1	....	....	37	32¼	36	555461	67	18½	59	25
Atlas	1	....	....	4	3	3	13000	5	1⅛	7	2
Archean	10	....	....	....	....	....	....	....	....	18	17
Ajax	1	....	....	15	12	15	7700	....	....	39	6½
Bard	.	....	....	25	25	25	500	....	....	1.59	.25
Baldwin	1	....	....	1½	1	1¼	19000	6⅞	1	4¼	1
Barry Holl.	1	....	....	41	36½	40	306025	1.00	.21	1.00	.25
Beaver	1	....	....	1.55	1.38	1.46	102525	.99	.51	1.55	.61
Bellellen L.	1	....	....	....	....	....	....	23½	20	28½	3
Bidgood	1	....	....	16¼	10	14	115375	9⅜	4½	16	5
Boischatel	None	....	....	5½	4	5	56000	....	....	27	3
Boston Creek	1	....	....	....	....	....	....	7½	2½	¼	½
Bourlamaque	1	....	....	3	3	3	3000	1.45	1.02	1.53	3
Buckingham	1	....	....	3½	3	3½	5000	7¾	2	9½	3
Bunker H.	10	....	....	1.04	1.02	1.02	42	....	....	1.04	75¾
Can. Lorrain	1	....	....	13¼	11	13¼	8250	93	57	72	10
Capitol S.	1	....	....	18¼	16	16	17500	48½	24	34	15½
Capitol R.	.	....	....	17	15	16	28150	43	26	54½	10
Cen. Manitoba	1	....	....	2.02	1.55	2.00	128770	....	....	2.10	1.07
Castle Tre.	1	....	....	.70	.61	.65	47525	1.85	.91	1.27	.70
Chaput H.	1	....	....	10	8	8	48000	22	3⅛	13¼	4⅜
Clifton	1	....	....	½	½	½	1000	6½	1	3½	½
Col. Kirk	1	....	....	3½	2	3¼	64500	6¼	2	6	1½
Coniagas	5	....	....	5.00	4.50	4.50	1370	4.85	3.00	5.00	3.20
Coniaurum	5	....	....	4.20	3.75	4.16	4997	4.60	3.00	4.25	2.80
Cons. Smelter	25	10+5	1.39	2.36½	2.27	2.36¼	6025	2.65	177¼	2.64	2.15
C. W. Dome	1	....	....	5¼	4½	4½	7000	29¼	14	19	4
Corona	1	....	....	17	12	14	329600	37½	20	37	10
Copper Hill	1	....	....	61	60	61	33900	....	....	61	47
Comm. Mines	.	....	....	....	....	....	....	....	....	1.50	.71
Crown Res.	1	....	....	15	10½	14½	118500	24⅛	8	15¼	7
Coast Copper	.	....	....	12.00	9.75	10.50	390	....	....	22.00	9.75
Davidson	1	....	....	2	2	2	1000	3	1½	3	1
Destor	.	....	....	....	....	....	....	41	40	43	40
Dorion	.	....	....	....	....	....	....	....	....	4.00	1.02
Dome Mines	None	$1.00	13.80	8.90	7.10	8.75	8648	20.00	8.00	10.85	6.85
Don Rouyn	1	....	....	39	20	30	80500	61	25	56½	17½
Duprey	.	....	....	15	9	9	23000	....	....	15	10
Duprat	1	....	....	10	8	8	45250	35½	8½	34½	6¼
Duprat (new)	.	....	....	17	14½	15¼	110100	....	....	21	14½
Dubec	.	....	....	....	....	....	....	....	....	....	....
Dom. Lead	.	....	....	1.66	1.63	1.66	18800	....	....	1.66	1.05
D. Kirk	1	....	....	2	2	2	1000	....	....	11¼	1½
Dunwell	1	....	....	....	....	....	....	....	....	1.51	1.50
Dubec	1	....	....	....	....	....	....	....	....	1.41	.35
Eastern Metal	1	....	....	16.50	15.25	16.50	530	....	....	16.00	10.00
Everett	1	....	....	2	½	2	1200	12¼	3¼	5½	1¼
Fiske	1	....	....	8½	8	8½	2500	....	....	30½	5
Fisher, Que.	1	....	....	1.45	1.34	1.45	23375	....	....	1.45	.50
Goldale	1	....	....	34	30¼	33	49350	43	24	35	20
Gold Hill	1	....	....	26	22	23½	58150	73½	25	54	22
Gold Reef	1	....	....	....	....	....	....	5	1	2½	½
Gifford	1	....	....	....	....	....	....	....	....	1¾	1
Gladstone	10	....	....	....	....	....	....	....	....	29	14
Grover Daley	1	....	....	14	9	12	80450	32	18	37	8
Gold Ore	.	....	....	1.98	1.83	1.98	5710	....	....	1.98	.90
Harvie Exp.	None	....	....	13.25	11.84	12.50	3720	....	....	16.10	12.00
Hillcrest	100	6	10.00	....	....	....	....	65	55	65	60
Hillcrest, pref.	100	7	8.43	81¼	81¼	81¼	5	83	79½	87	83½
Hill Top	1	....	....	8	7	8	11000	31¼	20	24	6½
Hollinger	5	26	7.10	18.15	17.00	17.75	17895	21.00	16.75	22.65	16.50
Howey Gold	1	....	....	75	65	65	36600	....	....	75	42
Huron	.	....	....	1.09	1.07	1.09	2845	....	....	1.09	1.02
Holyrex	1	....	....	....	....	....	....	....	....	5½	5½
Indian	1	....	....	12	8¼	9	17400	14½	2¼	12	4
Int. Nickel, c.	25	$2	3.03	68½	65	68½	32991	46	32¼	75	38
Jay Copper	1	....	....	....	....	....	....	1.10	.73	1.26	.30
Keeley	1	24	24.00	95½	90	90	22625	1.90	1.39	1.66	.90
Keora Mines	1	....	....	2½	2	2¼	6400	22	11	12½	2
Kirk. Hunt	1	....	....	14½	13	14¼	18150	34	8½	35	10
Kirk. Lake	1	....	....	2.05	1.79	1.88	443136	1.44	.69	2.05	.82
Kamiska	.	....	....	10.25	9.50	10.20	285	....	....	10.75	7.62
Kamiskotia R.	.	....	....	10.80	10.45	10.45	565	....	....	10.80	10.25
Kirk, G.B.	1	....	....	1.18	1.00	1.18	22720	....	....	1.18	.75
Lake Shore	1	40+10	....	23.75	21.90	23.75	61850	16.15	9.50	23.75	15.40
Lakeside L.	1	....	....	1	1	1	3000	10	1⅛	6	¼
Laval	1	....	....	59	32¾	45½	1426230	45¼	21	59	19½
La Rose	1	....	....	5	4	4	4100	39	4	12	3½
Lorrain, c.	1	....	....	1	1	1	600	15	2	3¼	1
Lorrain, T.L.	1	....	....	....	....	....	....	1.10	.30	.86	.25
Lucky Jim	.	....	....	....	....	....	....	....	....	21	20
Mentor	10	....	....	12.60	12.50	12.60	200	....	....	12.60	12.00
McDougall	.	....	....	71	35½	66	425058	....	....	71	17
Marclay	1	....	....	....	....	....	....	35	30	42	34½
M'tchatell	1	....	....	28	23	26	135750	....	....	42	23
Macassa	1	....	....	24	22	22	11500	43	25	37	18
McKinley	1	....	....	15	15	15	6815	26	8½	18	11
McIntyre	5	20	3.88	25.80	25.25	25.55	8864	29.75	22.70	27.50	24.00
Millcrest	1	....	....	4¼	4¼	4¼	3500	21½	3½	6¼	4
Mining Corp.	5	25	4.16	3.08	3.00	3.00	15250	4.45	2.60	3.65	2.90
Moneta	1	....	....	....	....	....	....	18	11	14	8¼
Montreal Rouyn	1	....	....	24½	20	22	32900	60	13	33	10
N. A. Dev.	.	....	....	50	30	40	23200	....	....	2.10	.30
N. A. Lead	1	....	....	....	....	....	....	1.75	1.50	2.75	1.00
Noranda	None	....	....	24.70	22.25	24.10	66332	24.75	12.00	25.00	19.95
Newray	1	....	....	40½	38	38	3000	45	31	40½	28
Night Hawk	1	....	....	5	4½	5	5800	17	3¼	10½	4½
Nipissing	5	6	5.45	6.25	5.25	5.60	17830	9.25	4.95	10.30	5.25
Ophir	1	....	....	....	....	....	....	4¼	½	4⅜	¼
Ontario, L.C.	.	....	....	....	....	....	....	....	....	1.30	1.03
Osisko	.	....	....	45	41	44	25400	1.94	1.05	1.75	.35
P. L. Cobalt	1	....	....	4	2	3½	9000	32	14½	18	2
Porc. Crown	1	....	....	5	3¼	4	39100	12	4	11	3
Prec. Metal	1	....	....	....	....	....	....	....	....	22.00	20.00
Pioneer	1	....	....	70	61	60	49500	1.22	.66	1.18	.64
Premier Gold	1	32	14.90	2.50	2.22	2.50	16525	2.75	1.83	2.50	1.86
Preston	1	....	....	5	3½	4	6500	9⅛	4	7	3
Potter Doal	None	....	....	17	12¼	16	603550	....	....	65	10½
Power & Mines	.	....	....	....	....	....	....	....	....	1.70	.75
Que. Pros.	.	....	....	....	....	....	....	....	....	6.00	2.00
Rouyn C.	1	....	....	....	....	....	....	....	....	4.28	2.50
Rouyn	1	....	....	5	3	3¼	45500	9	1⅛	5	1
Rouyn, Que.	1	....	....	3	3	3	2000	4½	1¼	4⅜	1
Ribago	1	....	....	38	30	34	593350	....	....	87	13
Rouyn K.	.	....	....	1.10	1.02	1.10	9100	....	....	1.10	.73
Rubec	.	....	....	2.48	2.20	2.40	41265	....	....	2.48	1.10
South Keora	1	....	....	....	....	....	....	35½	5	54½	6½
Stadacona	None	....	....	22	16	20	329600	51	40	55	15
St. Anthony	1	....	....	33	30	30	25950	....	....	50	10
Sylvanite	1	....	....	3.80	3.52	3.55	2100	....	....	4.30	2.60
Siscoe	1	....	....	60	60	60	200	....	....	60	12
Sud Basin	.	....	....	4.00	4.00	4.00	1300	....	....	4.00	4.00
St. Law. Zinc	.	....	....	....	....	....	....	....	....	82	72
Teck Hughes	1	10	1.17	9.32	9.05	9.15	62025	5.55	2.65	9.33	5.25
Timiskaming	1	....	....	4	4	4	300	15¼	6	7	4
Thomp. Krist	1	....	....	....	....	....	....	3½	1	1	½
Tough Oakes	1	....	....	40	28	29	228800	66	36	62½	25
Towagmac	1	....	....	4.70	3.90	4.57	97659	6.10	3.15	5.75	2.85
Trojan	.	....	....	8.25	7.50	7.75	940	....	....	8.60	4.00
United Cap	.	....	....	....	....	....	....	....	....	5.32	3.00
Vic. Silver	1	....	....	3⅛	2½	3	32500	96	3⅛	14	2½
Vickers	1	....	....	80	70	80	21550	1.22	.13	1.52	.25
Vipond	1	....	....	60	56	59½	65362	2.02	1.49	1.75	.51
Wakenda	1	....	....	....	....	....	....	2¼	1	5	1
Wasapika	1	....	....	....	....	....	....	4	1	2	1
W. Dome Lake	.	....	....	10½	9	9	11250	....	....	13½	9
West Tree	1	....	....	3½	2	2	2500	....	....	4	2
Wettlaufer	1	....	....	....	....	....	....	10	2	4¼	2
Wiltsey C.	1	....	....	51	50	50	7000	....	....	50	50
Wright Har.	None	20c	3.05	6.50	6.38	6.45	143410	....	....	6.65	5.50
Vac. Gas	1	....	....	....	....	....	....	....	....	26	3

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GOLD OUTPUT IN JULY ON A BASIS OF $33,767,000

Porcupine Speeding Up and Passed Two Million Mark in Month

7 Mos. Gold Prod., 1927

	Tons	Value
Porc.	2,003,082	$13,604,684
Aver. per month	286,155	$1,943,526
Kirkland	416,141	$4,954,641
Aver. per month	59,363	$707,806

Porcupine Gold production for seven months of 1927 shows a substantial increase in average monthly tonnage, but a decline of $41,000 monthly in the value of the output.

Kirkland Lake has averaged 59,363 tons monthly compared with 42,760 monthly last year with the average value of $707,806 compared with $599,451 last year.

Indications are that Porcupine producers are speeding things up as July figures show an increase of $110,000 over June. Kirkland Lake was a little up on values but down on tonnage. These combined gave July a total of $140,000 above June, and made it the high month of the year. On a basis of July production, the annual Northern Ontario output would be $33,767,868 compared with $31,000,000 last year.

Ontario department of mines reports seven mills active in Porcupine, and eight in the Kirkland Lake area in which is included the Barry-Hollinger at Boston Creek and the Argonaut in Gauthier township. The Canadian Associated Goldfields at Larder Lake operated their mill in July but did not produce bullion until August.

The figures:

Output of Ontario Gold Mines, 1926-27

	Tons Milled	Value $
Porcupine—		
Year 1926	3,180,943	23,810,700
Per month	265,079	1,984,225
1927:		
January	292,484	1,926,908
February	265,559	1,885,833
March	284,999	1,923,787
April	286,666	1,964,516
May	301,300	1,925,322
June	283,525	1,935,354
July	288,549	2,042,964
7 months	2,003,082	13,604,684
Kirkland Lake—		
Year 1926	515,124	7,193,411
Per month	42,760	599,451
1927:		
January	50,696	600,354
February	50,103	592,230
March	60,272	706,083
April	59,075	698,782
May	61,687	857,632
June	67,409	736,811
July	66,899	762,749
7 months	416,141	4,954,641
Miscellaneous—		
Year 1926	538	4,979
1927	nil	nil
Both camps—		
1926	3,696,605	31,009,103
Per month	308,050	2,584,092
January	343,180	2,527,262
February	315,662	2,478,063
March	345,271	2,629,870
April	345,141	2,663,298
May	362,987	2,782,954
June	350,934	2,672,165
July	355,448	2,813,989

CANADA'S COPPER WITH THAT OF AFRICA MAY DOMINATE MARKET

(Continued from page 17)

is largely dependent upon the mines of the British Empire. I refer especially to nickel and tin. The former is a commodity of which, as you already know, Canada is the prime producer. It is a metal of modern utilization.

Negligible 50 Years Ago

"Fifty years ago the world's output was of negligible proportions, and it is probable that owing to the comparatively short time in which it has been in industrial use, its full qualities are as yet unrealized. Additional research will doubtless bring more knowledge and create new demands for the metal. Statistics would seem to show that the supplies will not be inadequate to any demand. The enormous Sudbury deposit which has already yielded nickel to a value of 350 million dollars is estimated to have a life in excess of 100 years and to contain 150,000,000 tons of 3 per cent. ore. The only other proved deposit of importance is in the French island of New Caledonia, in the Pacific Ocean, with a production equal to 10 per cent. of the Canadian output and a life of 40 years.

African Deposit

Chiefly interesting to us, however, is the fact that an extensive low grade deposit has recently been discovered in South Africa, which in time may prove to be an important producer, though apparently much development has yet to be done before the extent and value of the deposit can be ascertained. There is every reason therefore to be confident that the British Empire will remain the world's greatest producer of nickel, and will be able to supply the world with large quantities of this essential metal for very many years to come.

Tin Situation

"The situation with regard to tin is very interesting. Its peculiar properties for which no satisfactory substitute has yet been discovered, have brought about such a universal demand for tin that the difficulty has been to supply consumers' needs. The known resources are so limited in extent, that even if an immediate shortage be averted by extensive prospecting and the bringing into production of many additional properties in the East, any augmentation of supplies is likely before long to be counteracted by the elimination of many worked out areas. There appears to be a definite limit to the tin belt which runs from Burma through Malaysia to the Dutch East Indian is[illegible]s. Although every effort is being made to meet present demands, world production is not materially greater than before the war and the indications are that the prospects of any increase are not promising.

"The British Empire with its production from the Malay States, Burma, Nigeria, South Africa, Australia and Cornwall contributes approximately 40 per cent. of the world's output. Moreover, we have built up a large tin smelting industry in the East capable of treating not only British ores but those of Bolivia and the Dutch East Indies, so that the control of the marketing of tin has in effect become a British monopoly — our smelters turning out some 80 per cent. of the world's supplies. Except in Bolivia practically all tin is won from alluvial deposits through the development of the method of treating low grade alluvials by dredgers. The conception of this process had its origin in Australia and it does not seem an exaggeration to claim that the successful treatment of millions of cubic yards of gravel containing no more than half-a-pound of black tin to the yard and worth but a few pence is an engineering achievement of which we may be proud.

Chrome and Cobalt

"Reference might also be made to the Empire's unique deposits of chrome and cobalt but enough has been said to demonstrate that our stock of raw materials affords occasion for an encouraging chapter in any survey of our Imperial resources. The possession of the raw materials of manufacture is a most important item not merely in the strength of a nation in time of war but in its prosperity in time of peace. There is employment in winning them and wealth in the sale of them, and in so far as they are retained for manufacture in the home of their origin, there is a saving on costs of transport which puts the possessor-nation in a position of advantage. It is of all others the most heartening factor in our prospects of future prosperity that the Empire's supply of the essential raw materials of progress is in the great majority of cases bounteous and manifold.

Referring to the disappointingly low level of prices now ruling for metals, Sir Robert said that it is not improbable that efforts may be made in combination to restrict production.

"Before the war there was, as you know, a convention which at times controlled as much as 65 per cent. of the world's production of lead. Such an organization both in lead and zinc might now be useful in supporting the markets and improving prices but, as things are, it would appear that these objects could only be effected if there was some diminution of production.

"We may, however, hope for some favorable change in conditions in the not remote future. Unless we are to despair of the efforts of the world to emerge from the depressed state in which the exhaustion of the war has left us, an increased demand for metals will again, as in the past, be a significant symptom of advancing prosperity."

Corona Expands Work as Neighbors Succeed

The crew employed on Corona Mines' properties has been increased and the development programme expanded because of recent excellent results obtained by Amulet, Ribago and McDougall which properties all adjoin Corona. Results are being watched carefully by mining men and engineers.

Corona is considered to have a very favorable chance and it is believed by the engineers that the next few months' developments will prove satisfactory.

Another Concern Starts Drilling Near Sudbury

Sudbury Metals, an operation backed by New York mining and financial interests, is diamond drilling in Lumsden Township. The contract is being carried out by Ontario Diamond Drill Co., and nine holes have been put down, the deepest 300-ft. Many of these holes are showing well mineralized ore and it is the proposal of the operators to deepen them later. They are at present just rushing through the belated assessment work.

Additional Holdings for Boischatel Co.

Boischatel Mines, held a special general meeting at which almost 80 per cent. of the outstanding stock of the company was represented and ratified by a by-law authorizing the directors to apply for an increase in capitalization to 5,000,000 shares. This increase was a result of suggestions made at the annual meeting a few weeks ago, that it would be in the best interests of the company to acquire some additional properties. The company, so it is stated, have an opportunity of acquiring approximately 1000 acres adjoining which is some excellent showings and with the funds on hand and the additional stock which the company will have available, the future looks much brighter. Part of the holdings in question adjoin the Aldermac (Alderson - McKay - Towagmac properties).

The company proposes to carry out a big development programme.

Kirkland Gold Starts 4-Compartment Winze

Kirkland Lake Gold is starting a winze down from the 2,475-ft. level. It is located about 100-ft. past the vein and which is dipping toward the winze. The new operation will be a four compartment and the vein will be about 90-ft. away at the next level.

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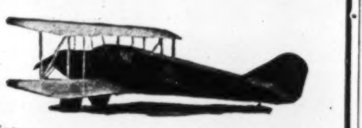

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CAPITAL ROUYN GOLD MINES is one of the most promising speculative opportunities.

CAPITAL ROUYN GOLD MINES own three groups of properties:

GROUP NO. 1—Comprising approximately 200 acres located in the Eastern section of Rouyn Township on the same break as GRANADA on which sensational gold values have been reported.

Very little work other than the necessary assessment work has been done on this group.

GROUP NO. 2—Comprising approximately 250 acres, adjoining the TOWAGMAC in Boischatel Township, one of the richest properties in the Quebec Mining Area. The showings of gold ore on the TOWAGMAC (Francoeur-Bell-Thompson claim) adjoining this group is considered to be the best surface showing of gold in the Province of Quebec.

The work recently done on this group under the direction of CHARLES E. SPEARMAN, M.E., gave very encouraging results.

GROUP NO. 3—Located in the Southern section of Duprat Township, comprising approximately 720 acres is one of the best showings in the Rouyn area. The first assays by the Government Assay Office, at Ottawa, gave the following results:

	Copper	Silver	Gold
Sample No. 1	33.98%	Trace	Trace
Sample No. 2	32.10%	.06 oz.	Trace
Sample No. 3	13.83%	Trace	Trace
Sample No. 4	6.60%	.08 oz.	Trace
Sample No. 5	23.18%	.08 oz.	Trace
Sample No. 6	32.70%	.12 oz.	Trace
Sample No. 7, mixed	19.93%	.10 oz.	Trace

Recently a shipment of 500 lbs. of representative ore from this group was sent to the Ottawa Office for Assay, and the five samples assayed gave the following results:

	Copper	Silver	Gold
Sample No. 1	8.0[illegible]%	$0.0[illegible]	$0.40c
Sample No. 2	10.47%	$0.08c	$0.60c
Sample No. 3	5.08%	$0.07c	$0.50c
Sample No. 4	23.99%	$0.06c	$0.80c
Sample No. 5	8.88%	$0.01c	Trace

These results were so encouraging that a Diamond Drilling campaign has been decided on to prove the ore bodies at depth.

At this time, the vein has been stripped for a distance of 75 ft. and picked up again 200 ft. further on.

The stock is now selling at less than 20c per share, and in our opinion at that price, represents the best speculative opportunity in this wonderful camp.

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